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Thursday
June 18, 1987

Briefings on How To Use the Federal Register—
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THE FEDERAL REGISTER
WHAT IT IS AND HOW TO USE IT

FOR: Any person who uses the Federal Register and Code of Federal Regulations.

WHO: The Office of the Federal Register.

WHAT: Free public briefings (approximately 2 1/2 hours) to present:

1. The regulatory process, with a focus on the Federal Register system and the public's role in the development of regulations.
2. The relationship between the Federal Register and Code of Federal Regulations.
3. The important elements of typical Federal Register documents.
4. An introduction to the finding aids of the FR/CFR system.

WHY: To provide the public with access to information necessary to research Federal agency regulations which directly affect them. There will be no discussion of specific agency regulations.

CHICAGO, IL

WHEN: July 8, at 9 a.m.
WHERE: Room 204A,
Everett McKinley Dirksen Federal Building,
219 S. Dearborn Street,
Chicago, IL.
RESERVATIONS: Call the Chicago Federal Information Center, 312–353–0339.

BOSTON, MA

WHEN: July 15, at 9 a.m.
WHERE: Main Auditorium, Federal Building,
10 Causeway Street,
Boston, MA.
RESERVATIONS: Call the Boston Federal Information Center, 617–565–8129

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Presidential Documents

Title 3—

The President

Proclamation 5668 of June 15, 1987

United States Department of Agriculture 125th Anniversary Year, 1987

By the President of the United States of America

A Proclamation

When President Abraham Lincoln signed the legislation establishing the United States Department of Agriculture on May 15, 1862, he created an institution whose impact has been felt in every corner of our land and on every continent. During the past century and a quarter, the Department of Agriculture has forged a partnership with farmers that has given the American people a high-quality, wholesome, safe, and affordable food supply unequaled anywhere.

Through its many research activities, the Department of Agriculture has helped farmers in our Nation and elsewhere achieve truly incredible gains in production yields and quality. The Department has also greatly aided the agriculture industry and all Americans by preventing the introduction of pests and diseases across our borders and by investing resources and technology to preserve our soil and water supplies. The Department has also helped give the American people the opportunity to receive nutritionally balanced meals.

When the first Commissioner of Agriculture, Isaac Newton, prepared his initial annual report to President Lincoln, he wrote: "I hardly deem it necessary to attempt to convince our intelligent countrymen of the vast importance of such a department, inasmuch as whatever improves the condition and character of the farmer feeds the lifesprings of national character, wealth, and power." We can all be grateful that the United States Department of Agriculture continues its vital mission today.

In recognition of the outstanding contributions of the Department of Agriculture, the Congress, by Public Law 100–46, has authorized and requested the President to issue a proclamation commemorating the 125th anniversary of the Department.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby commemorate the 125th anniversary year of the United States Department of Agriculture. I urge all Americans to commemorate this anniversary with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this fifteenth day of June, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

Ronald Reagan

[FR Doc. 87-13982
Filed 6-16-87; 12:38 pm]
Billing code 3195-01-M

Rules and Regulations

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DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Parts 371, 373, 374, 385 and 399

[Docket No. 70488-7088]

Exports to Syria; Expansion of Anti-Terrorism Controls

AGENCY: Export Administration, International Trade Administration, Commerce.

ACTION: Final rule.

SUMMARY: Under section 6(j) of the Export Administration Act of 1979 (EAA), as amended, Syria is designated as a country that has repeatedly supported acts of international terrorism. Accordingly, foreign policy export controls have been maintained on exports to Syria of certain aircraft and helicopters, as well as certain other national security controlled commodities when destined to military end-users or end-uses in that country.

Consistent with the President's decision of November 14, 1986 to impose a variety of further sanctions on Syria, the Department of Commerce is announcing expanded foreign policy controls on exports to that country. The Secretary of Commerce, in consultation with the Secretary of State, has determined pursuant to section 6 of the EAA to expand anti-terrorism controls on exports to Syria. The new controls apply to all national security controlled goods and technical data, regardless of end-user, and to *any* aircraft and helicopters, and related parts and components. Both aircraft and national security controlled goods are defined by certain entries on the Commodity Control List, a listing of items subject to Department of Commerce export controls. Technical data subject to national security controls are set forth in § 379.4(c) and (d) of the Export Administration Regulations. Parties holding authority to export or reexport under the Project License, Distribution License, Service Supply License, or Aircraft and Vessel Repair Station Procedure should note that as of the effective date these licenses no longer permit export or reexport to Syria.

Validated license applications to export goods and technical data subject to the new controls imposed by this rule will generally be denied. However, in some circumstances, license applications will be considered favorably on a case-by-case basis. As required by section 6(m) of the EAA, this rule contains provisions exempting license applications from the denial policy under these controls if based on contracts in effect before December 16, 1986 (the date of notification to Congress of intent to impose these controls).

In addition, this rule reflects section 509(b) of the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986, which amended section 6(j)(1) of the Export Administration Act to require notification to Congress of license applications subject to anti-terrorism controls valued at $1 million or more at least 30 days before approval. Previously, the requirement had been $7 million.

EFFECTIVE DATE: This rule is effective June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Joan Sitnik, Office of Technology and Policy Analysis, Export Administration, Telephone: (202) 377-4830.

SUPPLEMENTARY INFORMATION:

Rulemaking Requirements

1. Because this rule concerns a foreign and military affairs function of the United States, it is not a rule or regulation within the meaning of section 1(a) of Executive Order 12291, and it is not subject to the requirements of that Order. Accordingly, no preliminary or final Regulatory Impact Analysis has to be or will be prepared.

2. Section 13(a) of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2412(a)), exempts this rule from all requirements of section 553 of the Administrative Procedure Act (APA) (5 U.S.C. 553), including those requiring publication of a notice of proposed rulemaking, an opportunity for public comment, and a delay in effective date. This rule also is exempt from these APA requirements because it involves a foreign and military affairs function of the United States. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Accordingly, it is being issued in final form. However, as with other Department of Commerce rules, comments from the public are always welcome. Comments should be submitted to Vincent Greenwald, Office of Technology and Policy Analysis, Export Administration, U.S. Department of Commerce, P.O. Box 273, Washington, DC 20044.

3. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by section 553 of the Administrative Procedure Act (5 U.S.C. 553), or by any other law, under sections 603(a) and 604(a) of the Regulatory Flexibility Act (5 U.S.C. 603(a) and 604(a)) no initial or final Regulatory Flexibility Analysis has to be or will be prepared.

4. This rule contains a collection of information subject to the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). This collection of information has been approved by the Office of Management and Budget under control number 0625-0001.

5. In accordance with section 6(f)(2) of the Export Administration Act of 1979, as amended, the Secretary of Commerce has submitted a report to the Congress on the need for these controls.

List of Subjects in 15 CFR Parts 371, 373, 374, 385 and 399

Communist countries, Exports, Reporting and recordkeeping requirements.

Accordingly, the Export Administration Regulations (15 CFR Parts 368 through 399) are amended as follows:

1. The authority citation for 15 CFR Parts 371, 373, 385 and 399 continues to read as follows:

Authority: Pub. L. 96-72, 93 Stat. 503, 50 U.S.C. App. 2401 *et seq.* as amended by Pub. L. 97-145 of December 29, 1981 and by Pub. L. 99-64 of July 12, 1985; E.O. 12525 of July 12, 1985 (50 FR 28757, July 16, 1985); Pub. L. 95-223, 50 U.S.C. 1701 *et seq.*; E.O. 12532 of September 9, 1985 (50 FR 36861, September

10, 1985) as affected by notice of September 4, 1986 (51 FR 31925, September 8, 1986); Pub. L. 99-440 (October 2, 1986); E.O. 12571, October 27, 1986 (51 FR 39505, October 29, 1986).

2. The authority citation for 15 CFR Part 374 continues to read as follows:

Authority: Pub. L. 96-72, 93 Stat. 503, 50 U.S.C. App. 2401 *et seq.*, as amended by Pub. L. 97-145 of December 29, 1981 and by Pub. L. 99-64 of July 12, 1985; E.O. 12525 of July 12, 1985 (50 FR 28757, July 16, 1985).

§ 371.17 [Amended]

2(a). Section 371.17 is amended by revising the phrase "Country Group T or V except Iran" to read "Country Group T or V, except Iran or Syria" in the title of paragraph (a)(2), in the text of paragraph (a)(2)(i), in paragraph (f)(2), and in paragraph ((f)(3)(i); by revising the phrase "Country Group S or Z or Iran" to read "Country Group S or Z, or Iran or Syria" in paragraph (f); and by revising the phrase "Country Groups T and V except Iran" to read "Country Group T or V, except Iran or Syria" in the title of paragraph (f)(2).

§ 373.2 [Amended]

3. Section 373.2 is amended by revising the phrase "to Libya or Iran" in paragraph (b)(8) to read "to Libya, Iran or Syria".

§ 373.3 [Amended]

3(a). Section 373.3 is amended by revising the phrase "Afghanistan, Iran and the People's Republic of China" in paragraph (a)(1)(ii) to read "Afghanistan, Iran, Syria and the People's Republic of China".

§ 373.7 [Amended]

4. Section 373.7 is amended by revising the phrase "Country Groups S and Z and Iran" in the title of paragraph (c)(1) to read "Country Groups S and Z, Iran and Syria" and by revising the phrase "Country Group S or Z or Iran" in paragraph (c)(1) to read "Country Group S or Z, Iran or Syria" [two revisions].

§ 373.8 [Amended]

5. Section 373.8 is amended by revising the phrase "Country Group Q, S, W, Y, or Z, or Afghanistan or Iran" in paragraph (a)(2) to read "Country Group Q, S, W, Y or Z, or Afghanistan, Iran or Syria".

§ 374.2 [Amended]

5(a). Section 374.2 is amended by revising the phrase "Country Group T or V" in paragraph (a)(4)(i) to read "Country Group T or V, except Iran or Syria".

§ 376.8 [Amended]

6. In § 376.8, paragraph (b)(1)(ii) is amended by revising the phrase "Group Q, S, W, Y or Z country, the People's Republic of China or Afghanistan or Libya," to read "Group Q, S, W, Y or Z country, the People's Republic of China, Afghanistan, Iran or Syria," and paragraph (b)(1)(iii) is amended by revising the phrase "Group Q, S, W, Y or Z country or Afghanistan or Libya." to read "Group Q, S, W, Y or Z country, Afghanistan, Iran or Syria."

7. Paragraph (d)(2) of § 385.4 is amended by removing the phrase "and Syria" from the first sentence [two removals] and by removing the phrase "or Syria" from the last sentence.

8. Paragraph (d)(4) of § 385.4 is revised and redesignated as (d)(5), and a new paragraph (d)(4) is added, reading as follows:

§ 385.4 Country Groups T & V.

* * * * *

(d) *People's Democratic Republic of Yemen, Syria, and Iran.* * * *

(4)(i) For Syria, a validated license is required for the export of all aircraft and helicopters, and related parts and components, as defined by CCL entries 1460A, 2460A, 4460B, 5460F, 6460F, 1485A and 1501A(a), (b)(1) and (c)(1), and all goods and technical data subject to national security controls. For purposes of this § 385.4(d)(4), technical data subject to national security controls are those data set forth in § 379.4(c) and (d). Applications for exports to Syria of commodities and technical data subject to these controls will generally be denied. However, applications will be considered favorably on a case-by-case basis if:

(A) The transaction involves the export or reexport of goods or technical data under a contract involving shipment to Syria that was in effect before:

(*1*) April 28, 1986, in the case of helicopters 10,000 pounds empty weight or less; or

(*2*) December 16, 1986, for all other commodities except those described in paragraph (d)(4)(iii) of this section; or

(B) The transaction involves the reexport to Syria of goods where Syria was not the intended ultimate destination at the time of the original export from the United States, *if*—

(*1*) In the case of helicopters 10,000 pounds empty weight or less, they had been exported from the U.S. prior to April 28, 1986; or

(*2*) In the case of other commodities, except those described in paragraph (d)(4)(iii) of this section, they had been exported from the U.S. before June 18, 1987; or

(C) The U.S. content of foreign-produced commodities is 20% or less by value; or

(D) The commodities are medical equipment.

(ii) Applicants who wish such factors to be considered in reviewing their license applications must submit adequate documentation demonstrating the value of the U.S. content, the existence of the pre-existing contract, the specifications and intended medical use of the equipment, or the date of export from the United States.

(iii) The favorable consideration policies set forth in § 385.4(d)(4) do not apply to aircraft valued at $3,000,000 or more or to helicopters exceeding 10,000 pounds empty weight (unless they are destined for a regularly scheduled airline with assurance against military use), or to national security controlled goods valued at $7,000,000 or more destined for military end-users or end-uses.

(5) The appropriate Congressional Committees identified in Section 6(j) of the Act will be notified 30 days before any application falling under this subsection valued at $1 million or more is approved.

* * * * *

9. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 1460A is amended by revising the *Special Foreign Policy Controls* paragraphs to read as follows:

1460A Aircraft and Helicopters, Aero-engines, and Aircraft and Helicopter Equipment

* * * * *

Special Foreign Policy Controls: 1. For commodities defined in paragraph (a) of the List below, foreign policy controls apply to Libya, Iran, Syria, the Republic of South Africa and Namibia for both aircraft and helicopters regardless of value, and to the People's Democratic Republic of Yemen for fixed-wing aircraft valued at $3,000,000 or more, and for all helicopters (except aircraft and helicopters for use by regularly scheduled airlines, subject to certain assurances—see § 385.4(d)(2)).

2. For commodities defined in paragraphs (b), (c), and (d) of the List below, foreign policy controls apply only to Libya, Iran and Syria.

10. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 2460A is amended by revising the *Unit* and the *Special Foreign Policy Controls* paragraph to read as follows:

2460A Military Trainer Aircraft Bearing "T" Designations and Using Reciprocating Engines or Turbo Prop Engines With less Than 600 Horse Power (S.H.P.) and Specially Designed Component Parts Therefor (Except Reciprocating Engines).

* * * * *

Unit: Report aircraft in "number"; parts and accessories in "$ value."

* * * * *

Special Foreign Policy Controls: A validated license is required for foreign policy purposes to export or reexport aircraft and helicopters, regardless of value, to Libya, Iran, Syria, the Republic of South Africa and Namibia; and to export or reexport specially designed component parts (except reciprocating engines) to Libya, Iran and Syria; and to export or reexport fixed-wing aircraft valued at $3,000,000 or more and all helicopters to the People's Democratic Republic of Yemen.

* * * * *

11. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 4460B is amended by revising the *Reason for Control* paragraph and the *Special Foreign Policy Controls* paragraph to read as follows:

4460B Nonmilitary Aircraft and Helicopter Equipment and Aero-Engines

* * * * *

Reason for Control: National security; foreign policy controls apply to Libya, Iran and Syria.

* * * * *

Special Foreign Policy Controls: A validated license is required for foreign policy purposes for the export or reexport to Libya, Iran and Syria of any aircraft (including helicopter) parts and accessories defined in ECCN 4460B.

* * * * *

12. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 5460F is amended by revising the *Special Foreign Policy Controls* paragraphs to read as follows:

5460F Other Nonmilitary Aircraft and Demilitarized Military Aircraft Valued at $3,000,000 Each or More, and All Other Helicopters.

* * * * *

Special Foreign Policy Controls: 1. Foreign policy export controls apply to the export to the People's Democratic Republic of Yemen of aircraft valued at $3,000,000 each or more and all helicopters as defined in ECCN 5460F, except aircraft and helicopters for use by regularly scheduled airlines based in the People's Democratic Republic of Yemen for which assurances against military use have been submitted to the Office of Export Licensing.

2. A validated license is required for foreign policy purposes for the export or reexport to Libya, Iran and Syria of any aircraft (including helicopters) defined in ECCN 5460F.

* * * * *

13. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 6460F is amended by revising the *Unit*, the *Validated License Required*, and the *Special Foreign Policy Controls* paragraphs to read as follows:

6460F Other aircraft

Controls for ECCN 6460F

Unit: Report aircraft in "number."

Validated License Required: Country Groups SZ, Iran, Syria, the Republic of South Africa and Namibia.

* * * * *

Special Foreign Policy Controls: A validated license is required for foreign policy purposes for the export or reexport to Libya, Iran and Syria of any aircraft controlled under ECCN 6460F.

* * * * *

14. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 4 (Transportation Equipment), ECCN 1485A is amended by revising the *Reason for Control* paragraph and the *Special Foreign Policy Controls* paragraph to read as follows:

1485A Compasses, Gyroscopes (Gyros), Accelerometers and Inertial Equipment and Specially Designed Components Therefor (See Also ECCN 1385A)

* * * * *

Reason for Control: National security; foreign policy controls apply to Libya, Iran and Syria.

* * * * *

Special Foreign Policy Controls: A validated license is required for foreign policy purposes for the export or reexport to Libya, Iran and Syria of any aircraft (including helicopter) parts and accessories controlled under ECCN 1485A.

* * * * *

15. In Supplement No. 1 to § 399.1 (the Commodity Control List), Commodity Group 5 (Electronics and Precision Instruments), ECCN 1501A is amended by revising the *Reason for Control* paragraph and the *Special Foreign Policy Controls* paragraph to read as follows:

1501A Navigation, Direction Finding, Radar and Airborne Communication Equipment

* * * * *

Reason for Control: National security; foreign policy. The entire entry is controlled for national security reasons. Foreign policy controls apply to paragraphs (a), (b)(1), and (c)(1) for Libya, Iran and Syria.

* * * * *

Special Foreign Policy Controls: A validated license is required for foreign policy purposes for the export or reexport to Libya, Iran and Syria of parts and accessories for any aircraft (including helicopters) defined in paragraphs (a), (b)(1), and (c)(1) of the List of ECCN 1501A.

* * * * *

Dated: June 15, 1987.

Vincent F. DeCain,

Deputy Assistant Secretary for Export Administration.

[FR Doc. 87-13853 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DT-M

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15 CFR Part 399

[Docket No. 70111-7078]

Extension of Foreign Policy Controls and Removal of Restrictions on Exports of Oil and Gas Equipment to the Soviet Union; Correction

AGENCY: Export Administration, International Trade Administration, Commerce.

ACTION: Final rule; correction.

SUMMARY: A final rule that announced the extension of foreign policy controls and that removed restrictions on exports of oil and gas equipment to the Union of Soviet Socialist Republics was published in the **Federal Register** on January 22, 1987 (52 FR 2500). In Interpretations 24 and 29 to 15 CFR 399.2, Supplement No. 1, footnotes indicating that certain commodities required a validated license for export to the U.S.S.R., Estonia, Latvia, and Lithuania were removed by that rule. A few footnotes that were inadvertently not included in those regulations are now being removed by this document.

EFFECTIVE DATE: January 21, 1987.

FOR FURTHER INFORMATION CONTACT: Glenn Schroeder, Country Policy Branch, Export Administration, Department of Commerce, Washington, DC 20230 (Telephone: (202) 377-3160).

Accordingly, the following correction is made to "Extension of Foreign Policy Controls and Removal of Restrictions on Exports of Oil and Gas Equipment to the

Soviet Union," which was published in the **Federal Register** on January 22, 1987:

On page 2501, in the third column, the amendatory language in item 6A is corrected to read as follows:

A. Under Interpretation 24, in the list entitled "Plastic Materials and Artificial Resins, as Follows:" the footnote reading "A validated license is required for export of these commodities to the U.S.S.R., Estonia, Latvia, and Lithuania" is removed from the following entries:

Carboxy vinyl polymers, water soluble
Ethylene oxide polymers, water soluble
Flocculating agents
Pipe and tubing made of, or lined and covered with, fluorocarbon polymers or copolymers, n.e.s.
Products, n.e.s., made of fluorocarbon polymers or copolymers

Dated: June 15, 1987.

Vincent F. DeCain,

Deputy Assistant Secretary for Export Administration.

[FR Doc. 87-13854 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DT-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 210

[Release Nos. 33-6718; 34-24581; IC-15808; FR-29; File No. S7-36-85]

Accounting for Distribution Expenses

AGENCY: Securities and Exchange Commission.

ACTION: Adoption of Rule Amendment.

SUMMARY: The Commission is adopting an amendment to Regulation S-X to require that registered investment companies account for net costs incurred under a Rule 12b-1 plan as an expense. The amendment will provide for uniform accounting treatment of 12b-1 expenditures and enable investors to more accurately compare investment results and expense ratios among investment companies.

EFFECTIVE DATE: Financial statements for periods ending on or after June 30, 1987.

FOR FURTHER INFORMATION CONTACT: John W. Albert, Office of Chief Accountant (202) 272-2130, Debra Kertzman, Attorney, Office of Disclosure and Adviser Regulation, (202) 272-2107, or Lawrence A. Friend, Chief Accountant, (202) 272-2106, Division of Investment Management, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC., 20549.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission ("Commission") today is adopting an amendment to Rule 6-07 of Regulation S-X [17 CFR 210.6-07]. [1] The amendment, which was proposed for public comment on July 10, 1985, [2] requires a registered open-end investment company ("fund") preparing financial statements as part of a registration statement [3] or shareholder report [4] to include as an expense in its Statement of Operations all costs incurred under a plan adopted under Rule 12b-1 of the Investment Company Act of 1940 ("1940 Act") [17 CFR 270.12b-1] ("Rule 12b-1 plan"). [5] In addition, the amendment characterizes a contingent deferred sales load ("CDSL") paid to a fund to offset initial Rule 12b-1 plan costs as "12b-1 expense reimbursement," not as income.

Discussion

Since the Commission adopted Rule 12b-1 in 1980, funds have used their assets to finance activities intended primarily to result in the sale of fund shares. [6] Because of the conflict of interest involved in using fund assets to sell shares, [7] the Commission sought to rely on, among other things, meaningful disclosure of 12b-1 costs to investors as a check on the excessive commitment of fund assets for distribution. [8]

Since the adoption of Rule 12b-1, an increasing number of funds have adopted Rule 12b-1 plans. [9] In addition, the size of payments made under Rule 12b-1 plans has risen substantially in recent years so that, for many funds, these payments may be one of the most significant expenses incurred. [10] Thus, the Commission has concluded that a material consideration for the prospective investor, or shareholder making a decision whether to redeem, is whether a fund has adopted a Rule 12b-1 plan and, if so, the amount of payments made under the plan.

The majority of funds with Rule 12b-1 plans deduct payments made under the plan as a continuing charge against assets and account for these payments as a current expense in their Statement of Operations. [11] Some of these funds require shareholders redeeming during a specified period of time to pay a CDSL to the fund's principal underwriter. Because the CDSL payments are not recovered by the fund, they are not reflected in the fund's Statement of Operations. A few funds, however, deduct 12b-1 payments from fund assets only upon the sale of fund shares and recoup those assets by recovering the CDSL for themselves. These funds account for 12b-1 payments to underwriters as charges against capital and the CDSL payments received as credits to capital. [12] The Statement of Operations does not reflect these capital transactions. Therefore, two funds having the same income and expenses (and identical 12b-1 costs), but using different methods to account for 12b-1 costs, will report different investment results in their Statement of Operations.

The non-uniform treatment of 12b-1 payments makes it difficult for investors to compare 12b-1 costs incurred by different funds. This lack of comparability diminishes the value of disclosure as a check on the excessive commitment of fund assets for distribution. Moreover, this disparate accounting treatment of essentially

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[1] Article 6 of Regulation S-X governs the contents of financial statements filed by registered investment companies. Rule 6-07 of Regulation S-X sets fourth the requirements for an investment company's Statement of Operations.

[2] Investment Company Act Rel. No. 14623 (July 10, 1985) [50 FR 28953 (July 17, 1985)].

[3] Items 3 and 23 of Form N-1A [17 CFR 239.15A] require funds to file financial statements as part of their registration statements.

[4] Rule 30d-1 under the Investment Company Act of 1940 [17 CFR 270.30d-1] requires funds to include financial statements in shareholder reports.

[5] A Rule 12b-1 plan is a written plan approved by fund directors and shareholders which allows a fund to use its assets to finance the distribution of shares. Rule 12b-1 plans have been used to finance advertising costs; mailing costs; payments to underwriters, brokers, dealers, or sales personnel; and other costs associated with the sale of fund shares.

[6] Investment Company Act Rel. No. 11414 (Oct. 28, 1980) [45 FR 73898 (Nov. 7, 1980)] (adopting Rule 12b-1).

[7] One of the conflicts arises out of the practice of basing advisory fees on a percentage of net fund assets. Using fund assets to promote the sale of fund shares benefits the adviser directly by increasing the size of the fund and the adviser's fee, although fund growth may not necessarily benefit fund shareholders. *See* Investment Company Act Rel. No. 10252 (May 23, 1978) [43 FR 23589 (May 31, 1978)] (advance notice of proposed rulemaking under Section 12(b) of the 1940 Act [15 U.S.C. 80a-12(b)]).

[8] Investment Company Act Rel. No. 10862 (Sept. 7, 1979) [44 FR 54014 (Sept. 17, 1979)](proposing Rule 12b-1).

[9] Currently, approximately 925 of 2200 funds have adopted Rule 12b-1 plans.

[10] In the first several years after the adoption of Rule 12b-1, payments made under Rule 12b-1 plans were approximately .30 percent of average net assets. Today, 12b-1 payments made by funds amount to as much as 1.25 percent of average net assets.

[11] The Statement of Operations reports changes in a fund's net assets resuting from the amount of net investment income, net realized gains and losses in investment, and net unrealized appreciation or depreciation of investments.

[12] Funds which capitalize initial 12b-1 underwriting payments nonetheless account for annual maintenance fees paid under a Rule 12b-1 plan as an expense.

identical costs makes it difficult for investors to compare investment results and, as one commenter noted, the expense ratios of funds.[13] Because of these overriding concerns, the Commission has decided to adopt the amendment to Rule 6–07 substantially as proposed.[14]

The Commission received comments both supporting and opposing the proposed rule amendment. Commenters supporting the amendment referred generally to the benefits of uniform accounting treatment in assisting investor decision-making. Those opposing the amendment offered three basic reasons.

Several commenters stated that the amendment would eliminate the diversity and creativity in the development of Rule 12b–1 plans which the commenters assert have enabled funds to effectively compete with banks and insurance companies. However, the rule amendment does not limit the way fund assets are used to finance distribution under Rule 12b–1. The rule amendment merely requires uniform accounting of 12b–1 costs which have equivalent economic effects on shareholders.[15]

Six commenters asserted that it would be inappropriate for funds that pay 12b–1 underwriting costs out of fund assets only upon the sale of shares to account for those payments as expenses. According to these commenters, such costs are related directly to the issuance of additional fund shares and are usually treated as capital items under generally accepted accounting principles. These commenters overlooked the fact that most funds offer shares to the public continuously in the ordinary course of operating the fund.[16] Operating costs are treated as expenses under generally accepted accounting principles. Therefore, the Commission believes that 12b–1 costs are more appropriately treated as an expense of operating the fund rather than as a cost of raising capital.

Finally, some commenters objected to the proposed rule amendment because they believe it could jeopardize the tax status of funds that currently capitalize 12b–1 costs. These commenters asserted that the CDSL paid to the fund by redeeming shareholders may constitute "non-qualifying" income under Section 851 of the Internal Revenue Code of 1986. Section 851(b) provides generally that a fund will not qualify as a regulated investment company ("RIC") unless at least 90 percent of its gross income is derived from dividends, interest, payments from securities loans, or gains from the sale or other disposition of stock or securities ("qualifying income"). The status of a fund as an RIC is important because an RIC is generally not treated as a taxable entity.

The Commission has consistently taken the position that tax considerations should not alter financial disclosures under the federal securities laws.[17] As a result, there are many areas where the tax treatment of a particular transaction differs materially from its treatment under generally accepted accounting principles and Regulations S–X.[18] Altering or conforming financial reporting requirements to meet the tax needs of issuers may result in misleading or, in the case of funds making payments under Rule 12b–1 plans, non-comparable financial disclosures. However, the language of the proposed amendment may have suggested that the Commission considers CDSL payments to a fund to be income. The amendment has been modified to avoid this suggestion. As adopted, Rule 6–07 characterizes CDSL payments made to a fund as a "12b–1 expense reimbursement" and requires that funds receiving 12b–1 expense reimbursements deduct them from 12b–1 costs. In most instances, 12b–1 costs will be greater than 12b–1 expense reimbursements. In the unlikely event that 12b–1 expense reimbursements exceed current 12b–1 costs, such excess reimbursements will be listed as a negative expense amount and will offset other expenses in the Statement of Operations.

Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Chairman of the Commission previously certified that the amendment to Rule 6–07 of Regulation S–X will not have a significant economic impact on a substantial number of small entities. No comments were received on that certification.

Paperwork Reduction Act

These amendments to Rule 6–07 of Regulation S–X are not subject to the Act because they do not impose an information collection requirement.

List of Subjects in 17 CFR Part 210

Accounting, Reporting and recordkeeping requirements, Securities.

Text of Rule Amendment

PART 210—[AMENDED]

Part 210 of Chapter II of Title 17 of the Code of Federal Regulations is amended as shown.

1. The authority citation for Part 210 continues to read in part as follows:

Authority: Secs. 6, 7, 8, 10, 19, and Schedule A of the Securities Act of 1933 (5 U.S.C. 77, 77g, 77h, 77j, 77s, 77aa(25)(26); secs. 12, 13, 14, 15(d) and 23(a) of the Securities Exchange Act of 1934 (15 U.S.C. 781, 78m, 78n, 78o(d), 78w(a); Secs. 5(b), 10(a), 14 and 20(a) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79e(b), 79j(a), 79(n), 79t(a); and secs. 8, 20, 30, 31, and 38(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–8, 80a–20, 80a–29, 80a–30, 80a–37a), unless otherwise noted.

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[13] Item 3(a) of Form N–1A requires funds to report expense ratios as part of the condensed financial information in the prospectus. A fund's expense ratio is calculated by dividing total expenses during a period by the average net assets for that period. Funds which capitalize 12b–1 costs report lower expenses in the Statement of Operations and lower expense ratios.

[14] In proposing the amendment to Rule 6–07, the Commission explained that the amendment was also necessary to eliminate a discrepancy in fund yield calculations that can result from the inconsistent treatment of Rule 12b–1 plan costs. Since the proposal was published, the Commission has proposed rule and form amendments that would standardize the method by which funds compute yield for advertising purposes. Investment Company Act Rel. No. 15315 (Sept. 17, 1986) [15 FR 34384 (Sept. 26, 1986)]. These proposals would require all funds making payments under a Rule 12b–1 plan to treat these payments as expenses in calculating yield. *See* Instruction 5 to proposed Item 22(b)(i)(A) of Form N–1A.

[15] Regardless of how 12b–1 costs are accounted for by a fund, payments made under a Rule 12b–1 plan reduce net asset value.

[16] Moreover, these commenters' arguments support treating all 12b–1 payments as capital items simply because all 12b–1 payments are used to finance the sale of fund shares. Some funds which capitalize initial 12b–1 underwriting payments treat other 12b–1 payments as an expense. One commeter asserted that it "did not find convincing the argument that expenses paid by funds pursuant to a Rule 12b–1 plan which are directly related to sales, such as commissions, ought to be accounted for as adjustments in capital, while those other than commissions, such as advertising, sales literature, legal fees, registration, filing fees and the like, ought to be accounted for as expenses."

[17] *See, e.g.*, the Commission's statements in Accounting Series Release ("ASR") No. 293, Investment Company Act Rel. No. 11845 (July 2, 1981 [46 FR 36127 (July 14, 1981)], and ASR No. 162, Securities Act Rel. No. 11029 (Sept. 27, 1974) [39 FR 36578 (Oct. 11, 1974)]. In contrast, where the Commission has determined that the use of tax accounting is permissible, it has explicitly stated so. See Rule 502(b)(2)(A) of Regulation D [17 CFR 230.502(b)(2)(A)] which permits issuers of Regulation D offerings under certain circumstances to furnish financial statements prepared on the basis of federal income tax requirements.

[18] For example, in Rule 6–03(d) of Regulation S–X [17 CFR 210.6–03(d)] the Commission requires financial statements to report investments at current market value. However, that unrealized gain, although reported in the Statement of Operations (*see* Rule 6–07.7 of Regulation S–X [17 CFR 210.6–07.7)], is not a taxable item.

2. Paragraph (f) is added to item 2 in § 210.6–07 to read as follows:

§ 210.6–07 Statements of operations.

* * * * *

2. *Expenses.*

* * * * *

(f) State separately all amounts paid in accordance with a plan adopted under rule 12b–1 of the Investment Company Act of 1940 [17 CFR 270.12b–1]. Reimbursement to the fund of expenses incurred under such plan (12b–1 expense reimbursement) shall be shown as a negative amount and deducted from current 12b–1 expenses. If 12b–1 expense reimbursements exceed current 12b–1 costs, such excess shall be shown as a negative amount used in the calculation of total expenses under this caption.

* * * * *

By the Commission.

Jonathan G. Katz,

Secretary.

June 12, 1987.

[FR Doc. 87–13883 Filed 6–17–87; 8:45 am]
BILLING CODE 8010–01–M

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 938

Approval of Amendment to the Pennsylvania Permanent Regulatory Program Under the Surface Mining Control and Reclamation Act of 1977 and Removal of Requirement for Program Modification

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSMRE), Interior.

ACTION: Final rule.

SUMMARY: OSMRE is approving an amendment to the Pennsylvania permanent regulatory program (hereinafter referred to as the Pennsylvania program) under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The amendment pertains to material damage to structures or facilities caused by subsidence. Pennsylvania submitted the proposed program amendment on April 18, 1985.

OSMRE previously invited public comment on this amendment provision on June 5, 1985 (50 FR 23715). Following that public comment period OSMRE determined that the State provision was less effective than the Federal standards in effect at that time. Thus, OSMRE imposed a requirement at 30 CFR 938.16(b) for Pennsylvania to amend its program within a specified time to be no less effective than the Federal rules. On February 17, 1987, OSMRE promulgated final subsidence control rules relating to the protection of surface structures and facilities. After providing opportunity for public comment and reevaluating the amendment provisions in light of the revised Federal regulations, OSMRE has determined that the program provisions submitted by the State on April 18, 1985, and previously considered by OSMRE are now consistent with the Federal provisions. Accordingly, OSMRE is approving the program provisions and removing the requirement under 30 CFR 938.16(b) for Pennsylvania to amend its program.

The Federal rules at 30 CFR Part 938 codifying decisions concerning the Pennsylvania program are being amended to implement these actions.

This final rule is being made effective immediately in order to expedite the State program amendment process and encourage the State to conform its program to the Federal standards without undue delay; consistency of the State and Federal standards is required by SMCRA.

EFFECTIVE DATE: June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Robert Biggi, Director, Harrisburg Field Office, Office of Surface Mining Reclamation and Enforcement, 101 South Second Street, Suite L–4, Harrisburg, Pennsylvania 17101, Telephone: (717) 782–4036.

I. Background on the Pennsylvania State Program

On February 29, 1980, the Secretary of the Interior received a proposed regulatory program from the State of Pennsylvania. On October 22, 1980, following a review of the proposed program as outlined in 30 CFR Part 732, the Secretary disapproved the Pennsylvania program. The State resubmitted its program on January 25, 1982, and subsequently the Secretary approved the program subject to the correction of minor deficiencies. Information pertinent to the general background, revisions, modifications, and amendments to the proposed permanent program submission, as well as the Secretary's findings, the disposition of comments and a detailed explanation of the conditions of approval of the Pennsylvania program can be found in the July 30, 1982 **Federal Register** notice (47 FR 33050).

II. Background on Program Amendment

On April 18, 1985, Pennsylvania submitted to OSMRE pursuant to 30 CFR 732.17 proposed amendments to 25 Pa. Code Chapter 89, Subchapter F (pertaining to subsidence control) (OSMRE Administrative Record PA 550). The amendment deleted the existing subchapter in its entirety and set forth a new subchapter.

OSMRE published a notice in the **Federal Register** on June 5, 1985, announcing receipt of the amendment and inviting public comment on the adequacy of the proposed amendment (50 FR 23715). The public comment period ended July 5, 1985.

After providing opportunity for public comment and conducting a thorough review of the program amendment, the Director determined that the amendment was inconsistent with SMCRA and the Federal regulations as explained below.

The Pennsylvania rule submitted for OSMRE's approval on April 18, 1985, does not require the operator to correct any material damage resulting from subsidence caused to any structures or facilities by repairing the damage or compensating the owner. The Pennsylvania rule at section 89.143(b) limits the requirement to prevent damage to dwellings, cemeteries, municipal utilities, to those structures and facilities in place on April 27, 1986. At the time of OSMRE's review and approval of Pennsylvania's amendment, OSMRE determined that the State provision was less effective than 30 CFR 817.121(c)(2). The Federal rule (as revised on July 1, 1983, 48 FR 24638) was amended on February 21, 1985 (50 FR 7274–7278) to suspend the language limiting the operator's responsibility for damage to structures to the extent required by State law. Thus in the notice announcing the Director's findings and decision on the amendment submitted on April 18, 1985 (50 FR 45820, November 4, 1985), the Director imposed a requirement on Pennsylvania to amend its program to be consistent with the Federal regulations.

The requirement imposed by the Director which is listed at 30 CFR 938.16(b) specifies the following:

"Within 12 months following promulgation of a revised Federal rule, Pennsylvania shall amend its program to be no less effective than 30 CFR 817.121(c)(2) to require an operator to correct any material damage resulting from subsidence cause to any structures or facilities by repairing the damage or compensating the owner."

On February 17, 1987, OSMRE promulgated final subsidence control rules relating to the protection of surface structures and facilities. These final rules were promulgated pursuant to the District Court's order in *In Re: Permanent Surface Mining Regulation Litigation (II).* No. 79–1144 (D.D.C.). Under the final rule operator

responsibility for material damage to structures or facilities resulting from subsidence will derive from applicable provisions of State law.

Upon promulgation of the Federal rule, OSMRE initiated a reevaluation of the amendment to PA. section 89.143(b) submitted to OSMRE by the State on April 18, 1985, which is the subject of the requirement for Pennsylvania to amend its program at 30 CFR 938.16(b). On April 15, 1987, OSMRE invited public comment on the adequacy of the State proposal in light of the revised Federal standards (52 FR 12195). No comments were submitted to OSMRE during this comment period.

III. Director's Findings and Decision

The Director has determined that the State rules at Section 89.143(b) as submitted to OSMRE on April 18, 1985, are consistent with the Federal subsidence control rules at 30 CFR 817.121 adopted February 17, 1987, with respect to the protection of surface structures and facilities.

The Federal rule provides that the operator shall

> to the extent required under applicable provisions of State law, either correct material damage resulting from subsidence caused to any structures or facilities by repairing the damage or compensate the owner of such structures or facilities in the full amount of the diminution in value resulting from the subsidence . . . .

The Pennsylvania rule at section 89.143(b) requires that underground mining activities shall be planned and conducted to prevent damage to public buildings and noncommercial structures used by the public, including churches, schools and hospitals and to dwellings, cemeteries, municipal public service operations and municipal utilities, in place on April 27, 1966.

OSMRE has determined that the State rule is consistent with the Federal requirement. Accordingly, the Director is approving the State's provision and eliminating the requirement at 30 CFR 938.16(b) for Pennsylvania to amend its program.

IV. Procedural Matters

1. Compliance with the National Environmental Policy Act

The Secretary has determined that pursuant to section 702(d) of SMCRA, 30 U.S.C. 1291(d), no environmental impact statement need be prepared on this rulemaking.

2. Executive Order No. 12291 and the Regulatory Flexibility Act

On August 28, 1981, the Office of Management and Budget (OMB) granted OSMRE an exemption from sections 3, 4, 7 and 8 of Executive Order 12291 for actions directly related to approval or conditional approval of State regulatory programs. Therefore, for this action, OSMRE is exempt from the requirement to prepare a Regulatory Impact Analysis and this action does not require regulatory review by OMB.

The Department of Interior has determined that this rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This rule will not impose any new requirements; rather it will ensure that existing requirements established by SMCRA and the Federal rules will be met by the State.

3. Paperwork Reduction Act

This rule does not contain information collection requirements which require approval by the Office of Management and Budget under 44 U.S.C. 3507.

List of Subjects in 30 CFR Part 938

Coal mining, Intergovernmental relations, Surface mining, Underground mining.

Dated: June 12, 1987.

James W. Workman,

Deputy Director, Operations and Technical Services, Office of Surface Mining Reclamation and Enforcement.

PART 938—PENNSYLVANIA

1. The authority citation for Part 938 continues to read as follows:

Authority: Pub. L. 95–87, Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 *et seq.*).

2. 30 CFR Part 938.15 is amended by adding a new paragraph (m) to read as follows:

§ 938.15 [Amended]

* * * * *

(m) The amendment to the Pennsylvania State program regulations at section 89.143(b), which was submitted to OSMRE on April 18, 1985, is approved effective June 18, 1987.

§ 938.16 [Amended]

3. 30 CFR Part 938.16 is amended by removing and reserving paragraph (b).

[FR Doc. 87–13910 Filed 6–17–87; 8:45 am]
BILLING CODE 4310–05–M

DEPARTMENT OF DEFENSE

Department of the Navy

32 CFR Part 706

Certifications and Exemptions Under the International Regulations for Preventing Collisions at Sea, 1972; Amendment

AGENCY: Department of the Navy, DOD.

ACTION: Final rule.

SUMMARY: The Department of the Navy is amending its certifications and exemptions under the International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), to reflect that the Secretary of the Navy has determined that USS CORONADO (AGF–11) is a vessel of the Navy which, due to its special construction and purpose, cannot comply fully with certain provisions of the 72 COLREGS without interfering with its special function as a naval command ship. The intended effect of this rule is to warn mariners in waters where 72 COLREGS apply.

EFFECTIVE DATE: June 2, 1987.

FOR FURTHER INFORMATION CONTACT: Captain P.C. Turner, JAGC, U.S. Navy Admiralty Counsel, Office of the Judge Advocate General, Navy Department, 200 Stovall Street, Alexandria, VA 22332–2400. Telephone number: (202) 325–9744.

SUPPLEMENTARY INFORMATION:

Pursuant to the authority granted in 33 U.S.C. 1605, the Department of the Navy amends 32 CFR Part 706. This amendment provides notice that the Secretary of the Navy has certified that USS CORONADO (AGF–11) is a vessel of the Navy which, due to its special construction and purpose, cannot comply fully with 72 COLREGS, Annex I, section 3(a), pertaining to the placement of the after masthead light and the horizontal distance between the forward and after masthead lights, without interfering with its special function as a Navy ship. The Secretary of the Navy has also certified that the aforementioned lights are located in closest possible compliance with the applicable 72 COLREGS requirements.

Moreover, it has been determined, in accordance with 32 CFR Parts 296 and 701, that publication of this amendment for public comment prior to adoption is impracticable, unnecessary, and contrary to public interest since it is based on technical findings that the placement of lights on this vessel in a manner differently from that prescribed herein will adversely affect the ship's ability to perform its military functions.

List of Subjects in 32 CFR Part 706

Marine safety, Navigation (water), Vessels.

PART 706—[AMENDED]

Accordingly, 32 CFR Part 706 is amended as follows:

1. The authority citation for 32 CFR Part 706 continues to read:

Authority: 33 U.S.C. 1605.

2. Table Five of § 706.2 is amended by adding the following vessel:

Vessel	Number	Forward masthead light less than the required height above hull. Annex I, sec. 2(a)(i)	Aft masthead light less than 4.5 meters above forward masthead light. Annex I, sec. 2(a)(ii)	Masthead lights not over all other lights and obstructions. Annex I, sec. 2(f)	Vertical separation of masthead lights used when towing less than required by Annex I, sec. 2(a)(i)	Aft masthead lights not visible over forward light 1,000 meters ahead of ship in all normal degrees of trim. Annex I, sec. 2(b)	Forward masthead light not in forward quarter of ship. Annex I, sec. 3(a)	After masthead light less than ½ ship's length aft of forward masthead light. Annex I, sec. (3)(a)	Percentage horizontal separation attained
USS CORONADO	AGF-11							X	50

Dated: June 2, 1987.
Approved:
James H. Webb, Jr.,
Secretary of the Navy.
[FR Doc. 87-13899 Filed 6-17-87; 8:45 am]
BILLING CODE 3810-AE-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD 09-87-13]

Special Local Regulations; Huron Water Festival, Huron, OH

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: Special Local Regulations are being adopted for the Second Annual Huron Water Festival. This event will be held on July 12, 1987 on the Huron River, Huron, Ohio. The regulations are needed to provide for the safety of life on navigable waters during the event.

EFFECTIVE DATE: These regulations become effective and terminate on July 12, 1987.

FOR FURTHER INFORMATION CONTACT: CWO GERALD M. TRACKIM, Office of Search and Rescue, Ninth Coast Guard District, 1240 E 9th St., Cleveland, OH 44199, (216) 522-3982.

SUPPLEMENTARY INFORMATION: In accordance with 5 U.S.C. 553, a notice of proposed rulemaking has not been published for these regulations and good cause exists for making them effective in less than 30 days from the date of publication. Following normal rulemaking procedures would have been impracticable. The application to hold this event was not received by the Commander, Ninth Coast Guard District, until June 1, 1987, and there was not sufficient time remaining to publish proposed rules in advance of the event or to provide for a delayed effective date.

This event was conducted last year and no negative comments concerning it were received.

Economic Assessment and Certification

These regulations are considered to be non-major under Executive Order 12291 on Federal Regulation and nonsignificant under Department of Transportation regulatory policies and procedures (44 FR 11034; February 26, 1979). Because of the short duration of these regulations, their economic impact has been found to be so minimal that a full regulatory evaluation is unnecessary.

Since the impact of these regulations is expected to be minimal, the Coast Guard certifies that they will not have a significant economic impact on a substantial number of small entities.

Drafting Information

The drafters of this regulation are CWO GERALD M. TRACKIM, project officer, Office of Search and Rescue and LCDR C. V. MOSEBACH, project attorney, Ninth Coast Guard District Legal Office.

Discussion of Regulations

The Huron River Festival will be conducted on the Huron River on 12 July 1987. This event will have power boat races and water ski shows which could pose hazards to navigation in the area. Vessels desiring to transit the regulated area may do so only with prior approval of the Patrol Commander (Commanding Officer, Coast Guard Station, Marblehead, Ohio).

List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water).

PART 100—[AMENDED]

Regulations

In consideration of the foregoing, Part 100 of Title 33, Code of Federal Regulations, is amended as follows:

1. The authority citation for Part 100 continues to read as follows:

Authority: 33 U.S.C. 1233; 49 CFR 1.46 and 33 CFR 100.35.

2. Part 100 is amended to add a temporary § 100.35-0913 to read as follows:

§ 100.35-0913 Huron Water Festival, Huron River, Huron, OH.

(a) *Regulated Area.* (1) That portion of the Huron River between a line drawn from the Huron Inner Light and the Huron Inner East Light to the U.S. Highway 6 bridge over the Huron River.

(b) *Special Local Regulations.* (1) The above area will be closed to vessel navigation or anchorage from 12:30 PM (EDT) until 7:00 PM on July 12, 1987.

(2) Vessels desiring to transit the restricted area may do so only with prior approval of the Patrol Commander and when so directed by that officer. The Patrol Commander may be contacted on channel 16 (156.8 MHZ) by the call sign "Coast Guard Patrol Commander". Vessels will be operated at a no wake speed to reduce the wake to a minimum and in a manner which will not endanger participants in the event or any other craft. These rules shall not apply to participants in the event or vessels of the patrol, in the performance of their assigned duties.

(3) A succession of sharp, short signals by whistle or horn from vessels patrolling the areas under the direction of the U.S. Coast Guard Patrol Commander shall serve as a signal to stop. Vessels signaled shall stop and shall comply with the orders of the Patrol Vessel; failure to do so may result

in expulsion from the area, citation for failure to comply, or both.

(4) This section is effective from 12:30 PM (EDT) to 7:00 PM on 13 July 1987.

Dated: June 9, 1987.

A. M. Danielsen,

RADM, U.S. Coast Guard Commander, Ninth Coast Guard District.

[FR Doc. 87-13903 Filed 6-17-87; 8:45 am]

BILLING CODE 4910-14-M

33 CFR Part 135

[CGD 86-032]

Financial Responsibility for Offshore Facilities; Change of Address

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: This final rule changes the filing address for applications for Outer Continental Shelf (OCS) offshore facility Certificates of Financial Responsibility (COFR). This action results from the recent Coast Guard reorganization of the program which transfers the application processing responsibilities from the Eighth Coast Guard District Office in New Orleans, Louisiana, to U.S. Coast Guard Headquarters, Washington, DC. The intended effect of the reorganization is to improve efficiency and service to the offshore industry in the processing of applications for OCS offshore facility COFRs, and provide centralized management of all correspondence pertaining to administration of the Offshore Oil Pollution Compensation Fund.

EFFECTIVE DATE: This rule is effective August 3, 1987.

FOR FURTHER INFORMATION CONTACT: Frank A. Martin, Jr., (202) 267-0518.

SUPPLEMENTARY INFORMATION: This final rule was not preceded by a notice of proposed rulemaking. This rule concerns organizational and administrative changes brought about by internal program realignment within the Coast Guard. It does not substantively revise current governing regulations (33 CFR Part 135, Subpart C). Therefore, the Coast Guard has determined that notice and public comment procedure are unnecessary under the Administrative Procedure Act [5 U.S.C. 553(b)(A)].

Since its inception in 1979, the OCS offshore facility COFR functions, under 43 U.S.C. 1815(b) and 33 CFR Part 135, Subpart C, have been directly administered by a small staff under the Commander, Eighth Coast Guard District, New Orleans, LA. Policy guidance and oversight of the facility certification activities was, and will continue to be, provided by program staff at Coast Guard Headquarters.

On and after the effective date of this reorganization, all application processing for OCS offshore facility COFRs will take place in the Funds Management Branch (Commandant (G-MFR-1)) of the Financial Responsibility Division, Office of Marine Safety, Security, and Environmental Protection, U.S. Coast Guard Headquarters, 2100 Second St., SW., Washington, DC 20593-0001. All existing COFR application files and records located in New Orleans will be transferred to the Commandant (G-MFR-1).

COFR applications, Form CG-5210, and companion filing instructions, are not being revised at this time, nor are the procedures involved in processing them being changed. It is only the location of application filing and processing that is changed. Owners and operators of OCS offshore facilities may continue to obtain copies of the application form and detailed filing instructions from Commandant (G-MFR-1), or any Coast Guard District Office.

Regulatory Evaluation

This regulation is exempt from the provisions of Executive Order 12291, since it pertains to matters of agency organization as provided in section 1(a)(3) of the Order, and is non-significant under DOT regulatory policies and procedures (44 FR 11034; February 26, 1979). The economic impact of this final rule has been found to be so minimal that further evaluation is unnecessary. This rule merely changes the filing address for applications for OCS offshore facility COFRs and imposes no new substantive requirements. Since the impact of this rule is expected to be minimal, the Coast Guard certifies that it will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 33 CFR Part 135

Oil pollution liability and compensation, Outer Continental Shelf oil barrel fees, Financial responsibility for offshore facilities, Certification.

In consideration of the foregoing, Title 33, Code of Federal Regulations, Part 135, is amended as follows:

PART 135—OFFSHORE OIL POLLUTION COMPENSATION FUND

1. The authority citation is revised to read as follows:

Authority: 43 U.S.C. 1811-24; E.O. 12123, 44 FR 11199; 49 CFR 1.46.

2. Section 135.9 is revised to read as follows:

§ 135.9 Fund address.

The address to which correspondence relating to the Coast Guard's administration of the Fund should be directed is: Funds Management Branch, Commandant (G-MFR-1), U.S. Coast Guard Headquarters, 2100 Second Street, SW, Washington, DC 20593-0001.

Dated: June 11, 1987.

W. J. Ecker,

Captain, U.S. Coast Guard, Acting Chief, Office of Marine Safety, Security and Environmental Protection.

[FR Doc. 87-13908 Filed 6-17-87; 8:45 am]

BILLING CODE 4910-14-M

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 211

Appeal of Decisions Concerning the National Forest System

AGENCY: Forest Service, USDA.

ACTION: Final rule.

SUMMARY: This rule revises Forest Service procedures governing stay decisions requested during an administrative appeal filed pursuant to 36 CFR 211.18. The changes result from an analysis of public comment on an interim rule as published in the **Federal Register** of November 19, 1986 (51 FR 41785).

EFFECTIVE DATE: This rule is effective July 20, 1987.

FOR FURTHER INFORMATION CONTACT: Larry Hill, National Forest System Staff, Forest Service, USDA, P.O. Box 96090, Washington, DC 20090-6090, (202) 382-9349.

SUPPLEMENTARY INFORMATION:

Background

Rules at 36 CFR 211.18 provide a procedure by which persons aggrieved by an administrative decision of National Forest officers may appeal that decision. The procedures permit an appellant to also request that the action in question be postponed (stayed) until the appeal is resolved. On November 19, 1986 (51 FR 41785), the Forest Service published an interim rule revising how stay requests are submitted and handled. The principal changes in procedures contained in the interim rule were as follows:

1. The requester must file the stay request and supporting information with the Reviewing Officer and provide a copy of the stay request and supporting information to the Deciding Officer (the

officer who made the original decision or appeal decision).

2. The Deciding Officer must, within 7 days, provide an analysis of the stay request to the Reviewing Officer and all parties to an appeal.

3. The rule establishes basic criteria to be applied to reviewing and ruling on stay requests by the Reviewing Officer.

4. The maximum time for a Reviewing Officer to rule on a stay request is lengthened from 10 to 21 days to allow a more reasonable period of time for consideration of the stay request and the factors relevant to making the stay decision.

5. The rule provides the Reviewing Officer authority to modify or vacate a stay that has been granted pending a decision on the merits of the appeal.

Although these changes were made effective immediately, the Forest Service invited public comment which the agency would consider in promulgating a final rule.

Analysis of Public Comment

The interim rule generated 7 responses: 4 from environmental groups or organizations and 3 from industrial groups or organizations. The majority of comments were very specific in nature. All were considered in development of the final rule. One response did not pertain to the rule change and is not responded to in this discussion. The final rule also includes some minor clarifying, non-substantive changes to improve readability of the rule and makes a technical correction to one of the citations on matters excluded from appeal. It was brought to our attention that we had overlooked this change which resulted from recodification of the timber sale rules in Part 223.

Responses received are available for review at the Office of the Deputy Chief, National Forest System, Forest Service, USDA, Room 4211, South Agriculture Building, 12th and Independence Avenues SW., Washington, DC 20250, telephone (202) 382–9346.

The discussion which follows summarizes the major comments and suggestions received on the interim rule, and the Department's responses to these comments. Comments are keyed to the numbered paragraphs in the interim rule.

Paragraph (h)(1): This paragraph permits an appellant or intervenor to file a stay request at any time during an appeal.

Response: Two responses addressed this provision, both were supportive of this change. The final rule retains the language of the interim rule, providing consistent treatment of stay requests at both levels of appeal.

Paragraph (h)(2): This paragraph requires that an appellant or intervenor enclose a copy of the decision being appealed with the request for stay and requires that requests be filed with the Reviewing Officer, with a copy provided to the Deciding Officer simultaneously. Three respondents felt it burdensome and duplicative for an appellant to provide the Forest Service with a copy of its own decision. One respondent believed use of the terms "imminent harm" made the rule more legalistic.

Response: The Forest Service agrees that it is unnecessary for appellants or intervenors to provide a copy of the decision document with a stay request and has removed this requirement from the final rule. The final rule also clarifies that appellants or intervenors should include site-specific information about the project(s), activity(ies), or action(s) involved. The final rule also makes it explicit that the Reviewing Officer will evaluate and rule upon the stay request based upon the merits in the requester's description. While it appears implicit in the requirement that a written description of the activity to be stayed would have to include its location(s), the interim rule did not specify the type of information required. In the final rule, this paragraph has been redesignated as (h)(3).

Paragraph (h)(3): This paragraph of the interim rule required a Deciding Officer to prepare an analysis of a stay request within 7 days from receipt unless the Reviewing Officer waived the requirement. One respondent thought the 7-day period too long; one urged the elimination of the waiver provision; one supported the analysis requirement; and one felt that the rule should make explicit that appellants and intervenors should have an opportunity to respond to the Deciding Officer's analysis.

Response: Experience under the interim rule showed that a mandatory in-depth analysis by the Deciding Officer was too rigid a requirement and could be burdensome. We believe that the intent of the interim rule to acquire information can still be met by allowing a Deciding Officer the discretion to provide an analysis as deemed appropriate. Based on this finding and consideration of comments, the agency has revised this provision in the final rule to allow the Deciding Officer the option of providing a recommendation or other comments on a stay request. Any comments provided to the Reviewing Officer shall also be provided to appellants and intervenors.

Although the interim rule made no provision for appellants to respond to a Deciding Officer's response, neither was it prohibited. Even though a response from the Deciding Officer is now optional, parties may comment on the Deciding Officer's response whenever they choose, but should recognize that their comments might be received too late to be considered.

Paragraph (h)(4): In the interim rule, this paragraph set forth 3 factors that Reviewing Officers must consider in ruling on stay requests. The respondents who commented on this paragraph expressed dissatisfaction with the interim rule because it does not contain the presumption in favor of granting stays that is reflected in current internal guidance to Forest Service employees in the Appeals Handbook (FSH 1509.12, section 2.42a).

Response: The Forest Service is revising its internal direction in FSH 1509.12 to remove the presumption in favor of granting stays, because it is not always in the public interest to grant a stay; while a stay might benefit a requester, it might be detrimental to someone else. With specific factors stated in the rule, potential parties are apprised of the minimum factors to be considered by the Reviewing Officer in deciding on stay requests. This should be helpful, since appellants can develop arguments for their stay requests in the context of these factors. The final rule lists these factors but they have been revised to explicitly require consideration of information provided by the requester in support of the stay request. In addition, the factor relating to "imminent harm" has been revised to remove that term, in response to a comment received on paragraph (h)(2) that it made the rule appear legalistic. These factors have been relocated to paragraph (h)(5) for a more logical presentation of the process.

Paragraph (h)(5): The interim rule provided that a Reviewing Officer may act on a stay request at any time but must act by 21 days. This paragraph also specified the minimum content of a stay decision. The two comments on this paragraph concentrated on the 21 days the Reviewing Officer has to rule on the stay request. One felt the period was excessive and the other felt that by extending the timeframe to 21 days the Forest Service has effectively denied an administrative remedy in virtually every case requiring prompt agency response to a stay request.

Response: Upon receipt of a stay request, and fully considering the public interest, the Reviewing Officer may grant a stay immediately in order to preserve a meaningful appeal on the merits. Under some conditions, however, it might be prudent for the Reviewing Officer to determine if the

Deciding Officer will be sending a response. Thus, no change was made in the 21 days allowed; however, the final rule makes explicit that it is 21 calendar days, not business days. For a more logical presentation of process, this paragraph has been moved to paragraph (h)(4).

Paragraph (h)(6): The interim rule provided new authority to a Reviewing Officer to modify or vacate a stay decision upon that officer's own initiative or petition by others. Respondents who commented on this paragraph focused on the flexibility provided to Reviewing Officers to modify a stay decision. Three major points were raised: whether a decision to modify or vacate a stay would apply to stay requests that are denied; under what terms a decision could be modified or stayed; and the importance of notice and opportunity for parties to comment on any proposed stay modification.

Response: The provisions of paragraph (h)(6) of the interim rule apply whether the stay request is granted or denied. The language of the final rule makes it clear that the Reviewing Officer may change a stay decision. The terms "modify" or "vacate" used in the interim rule are deleted, because they are not clearly understood and add a legalistic tone not intended.

The intent of the interim rule was that parties to an appeal could seek changes in a stay decision based on new information being available or changed circumstances. This point has been clarified in the final rule with an editorial change that says that the Reviewing Officer may change a stay decision when relevant information supports such action, and by adding a new paragraph (h)(7)(iii), which requires requesters to provide an explanation of how circumstances have changed. An additional provision has been added to paragraph (h)(7) to clarify that any changes in a stay decision must be based upon the factors found in paragraph (h)(5). Additionally, because appellants and intervenors can petition to change or lift a stay at any time during pendency of the appeal, clarifying language is included in the final rule stating that decisions on petitions to change or lift a stay are not appealable. The final rule relocates this provision to paragraph (h)(7) for a more logical presentation of the process.

Paragraph (h)(7): This paragraph of the interim rule provided that, where a party seeks to intervene in an appeal and simultaneously requests a stay, the timeframe for a decision on the stay begins on the date intervention is granted. The only respondent on this provision commented that a stay request by a potential intervenor should either be evaluated promptly or that a stay be temporarily granted.

Response: The intention was both to preserve intervenors' opportunity to obtain a stay decision and to preserve sufficient time for a Reviewing Officer to make a stay decision. Since it takes time to determine first whether to grant intervenor status, a good portion of the time available to a Reviewing Officer on a stay decision could be consumed by the intervention request, shortchanging the time available to the Officer for making a stay decision requested by a party seeking intervention. We have revised the text of the rule to be clearer and have relocated it to paragraph (h)(2) for a more logical presentation of the process.

Paragraph (h)(8): This paragraph ties the levels of appeal for a stay decision to the same levels available on the appeal itself. No comments were received. As written, the interim rule allows parties to appeal both a stay decision (if a level is available) and to petition to change a stay decision. This possibility was not anticipated when the interim rule was written; it was not intended that two separate processes involving the same stay request should be permitted. Thus, the final rule retains the language of the interim rule, and also clarifies that parties to the appeal may either petition to change a stay decision or appeal a stay decision, but not both. Further, once one of the processes is invoked, all parties to the appeal are bound by it.

Paragraph (h)(9): This paragraph made the interim rule applicable to all appeals pending at the time the interim rule became effective. No comments were received and the final rule retains the same language.

Response to General Comments Received: In addition to specific comments received, respondents offered some general comments on the interim rule. One respondent stated that the interim rule could only add greater confusion to what that reviewer believes is already a confusing process. This comment is generic to the process as a whole. An appeal process is inherently complex, and this complexity can foster confusion. However, the agency believes the changes embodied in the final rule will lead to a clearer understanding of the stay process and achieve greater consistency in processing stay requests.

One respondent requested that the rule clearly state that a timber sale may not be sold while awaiting the stay decision of the Deciding Officer (sic). A stay decision is made by the Reviewing Officer, not the Deciding Officer. It is conceivable that a sale might be sold during the pendency of a Reviewing Officer's decision on a stay request. However, under normal circumstances the award of a timber sale usually takes 14–30 days following the selection of the qualified high bidder. Typically, award is delayed until the ruling on the stay request. Thus, it is not necessary to specify that a timber sale may not be sold while awaiting a decision on the stay request in the final rule.

One respondent disagreed with the regulatory impact finding in the preamble to the interim rule that the rule will have no effect on the Nation's economy, or on the quality of the human environment. This reviewer felt the rule could substantially weaken the effectiveness of the appeal system, and thus have a direct effect on the quality of the forest and economics related to the forest.

We do not believe the procedures in this rule could or will have any impact, significant or otherwise, on the Nation's economy or on the quality of the human environment. Stays, if granted, are short term, lasting only as long as it takes to rule on the merits or substance of the appeal. And, if not granted, activity(ies) may continue. It is not the procedures governing a stay decision, but a stay decision itself, that may have an economic or environmental impact. Those impacts should be evident to the Reviewing Officer, because the action being appealed (and/or stayed) would have already been subjected to environmental analysis pursuant to the National Environmental Policy Act and be a matter of record. As to the contention that the proposed changes in stay procedures will weaken the appeals process, we clearly disagree. By assuring consistency of treatment of stay requests at all levels of appeal and by setting forth clearly time frames and responses, the process is strengthened to the benefit of appellants, intervenors, and the Agency.

Regulatory Impact

This action does not constitute a major rule as defined in Executive Order 12291. The rule will have no effect on the Nation's economy, or substantial numbers of individuals or businesses, or on the quality of the human environment. The final rule does not contain an information collection or recordkeeping requirement as defined in the Paperwork Reduction Act of 1980.

List of Subjects in 36 CFR Part 211

Administrative practice and procedure, National forests.

Therefore, for the reasons set forth above, Subpart B—*Appeal of Decisions Concerning the National Forest System* of Part 211—*Administration* of Title 36 of the Code of Federal Regulations is amended as follows:

PART 211—ADMINISTRATION

Subpart B—Appeal of Decisions Concerning the National Forest System

1. The authority citation for Part 211 continues to read as follows:

Authority: 30 Stat. 35, as amended, sec. 1, 33 Stat. 628 (16 U.S.C. 551, 472).

§ 211.18 [Amended]

2. In § 211.18, paragraph (b)(4), revise the reference to "36 CFR 223.11" to read "36 CFR 223.117" (*Administration of Cooperative or Federal Sustained Yield Units*).

3. Revise paragraph (h) to read as follows:

§ 211.18 Appeal of decisions of forest officers.

* * * * *

(h) *Stay of decision pending appeal.* (1) An appellant or intervenor may request a stay of decision at any time while an appeal is pending.

(2) When a request to intervene is accompanied by a stay request, the Reviewing Officer shall first decide whether to grant intervention. The 21-day period for ruling on the stay request begins on the date intervention is granted. The Reviewing Officer will not rule on the stay request if intervention is denied.

(3) In making a request for stay of decision, an appellant or intervenor must:

(i) File the request for stay and accompanying documents with the Reviewing Officer and simultaneously provide a copy to the Deciding Officer.

(ii) Enclose a copy of the Notice of Appeal or request for intervention, unless already submitted and acknowledged.

(iii) As part of the request, provide a written description of the specific project(s), activity(ies), or other action(s) to be stopped. The request must state the specific reason(s) why the stay should be granted in detail sufficient to permit the Reviewing Officer to evaluate and rule upon the stay request. Requesters' description shall include (A) specific effect(s) upon the requester in site-specific terms of the project(s), activity(ies), or other action(s) to be stopped; (B) impacts or affects to resources in the area affected by the project(s), activity(ies), or action(s) to be stopped; and (C) how the effects in paragraphs (h)(3)(iii) (A) and (B) of this section would prevent a meaningful appeal on the merits while the appeal decision is pending.

(4) The Reviewing Officer may rule on a stay request or petition to change or lift a stay at any time, but, must rule no later than 21 calendar days from receipt.

(i) If a stay is granted, the stay shall specify: Specific activities to be stopped; duration of the stay; and reasons for granting the stay. A stay shall remain in effect for 10 days after a decision on the merits, unless a different period is specified in the stay decision document, or a Reviewing Officer changes a stay decision pursuant to paragraph (h)(7) of this section.

(ii) If a stay is denied, in whole or in part, the decision document shall specify the reasons for the denial and any subsequent appeal rights.

(5) In deciding a stay request, a Reviewing Officer shall consider the following:

(i) Information provided by the requester pursuant to paragraph (3)(iii) including the validity of any claims of injury to the requester or the public interest.

(ii) The effect a stay decision would have on the preservation of a meaningful appeal on the merits.

(iii) Any other factors the Reviewing Officer may consider relevant.

(6) Deciding Officers may provide Reviewing Officers with a response to stay requests. A copy of any response provided shall be sent to all parties to the appeal.

(7) A Reviewing Officer may change a stay decision, according to any terms established in the stay decision itself, or at any time during pendancy of an appeal that circumstances support a change of the stay.

(i) A Reviewing Officer may change a stay decision upon petition by any party to the appeal (including the Deciding Officer) at any time that circumstances support such action. A decision not to change a stay decision is not appealable.

(ii) In making any change to a stay decision, the Reviewing Officer must consider the criteria outlined in paragraph (h)(5) of this section.

(iii) Petitions to change an existing stay decision must contain an explanation of how circumstances have changed.

(8) Levels of appeal for any decision on a stay request or change thereof are those specified in paragraphs (f), (1), and (o) of this section. Appellants may choose to file a procedural appeal of a stay decision pursuant to paragraph (o)(4) of this section or to request a change in a stay decision pursuant to paragraph (h)(7) of this section, but may not elect to pursue both options. In appeals with multiple parties (appellants and/or intervenors), once any party invokes a procedural appeal of a stay decision or a request to change a stay decision, whichever occurs first, all other parties shall be bound by that action and cannot then pursue the alternate course of action.

(9) The provisions of paragraphs (h)(1) through (h)(8) of this section apply to all appeals pending on July 20, 1987.

Dated: May 27, 1987.

George S. Dunlop,

Assistant Secretary, Natural Resources and Environment.

[FR Doc. 87-13876 Filed 6-17-87; 8:45 am]

BILLING CODE 3410-11-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 60 and 61

[FRL-3219-6]

Standards of Performance for New Stationary Sources; National Emission Standards for Hazardous Air Pollutants; Supplemental Delegation of Authority to Alabama

AGENCY: Environmental Protection Agency.

ACTION: Delegation of authority.

SUMMARY: On April 17, 1987, the State of Alabama requested that EPA delegate authority for implementation and enforcement of additional categories of Standards of Performance for New Stationary Sources (NSPS), and National Emission Standards for Hazardous Air Pollutants (NESHAP). Since EPA's review of pertinent State laws, rules, and regulations showed them to be adequate for the implementation and enforcement of these federal standards, the Agency has made the delegations as requested.

EFFECTIVE DATE: The effective date of the delegation of authority is June 2, 1987.

ADDRESSES: Copies of the requests for delegation of authority and EPA's letter of delegation are available for public inspection at EPA's Region IV Office, 345 Courtland Street NE., Atlanta, Georgia 30365.

All reports required pursuant to the newly delegated standards (listed below) should be submitted to the following address: Mr. Richard E. Grusnick, Chief, Air Division, Alabama Department of Environmental Management, 1751 Federal Drive, Montgomery, Alabama 36130.

FOR FURTHER INFORMATION CONTACT: Beverly T. Hudson, at the EPA Region IV address listed above, and phone (404) 347–2864 or FTS 257–2864.

SUPPLEMENTARY INFORMATION: Section 301, in conjunction with sections 101, 111(c)(1) and 112(d)(1) of the Clean Air Act, authorizes EPA to delegate authority to implement and enforce the standards set out in 40 CFR Part 60, NSPS, and 40 CFR Part 61, NESHAP.

On August 5, 1976, EPA initially delegated the authority for implementation and enforcement of the NESHAP and NSPS programs to the State of Alabama. On April 17, 1987, Alabama requested a delegation of authority for implementation and enforcement of the following recently promulgated or revised NSPS categories found in 40 CFR Part 60:

1. Subpart D: Fossil-Fuel Fired Steam Generators.
2. Subpart Da: Electric Utility Steam Generating Units.
3. Subpart Db: Industrial-Commercial-Institutional Steam Generating Units.
4. Subpart E: Incinerators.
5. Subpart F: Portland Cement Plants.
6. Subpart G: Nitric Acid Plants.
7. Subpart H: Sulfuric Acid Plants.
8. Subpart I: Asphalt Concrete Plants.
9. Subpart J: Petroleum Refineries.
10. Subpart K: Storage Vessels for Petroluem Liquids.
11. Subpart Ka: Storage Vessels for Petroluem Liquids.
12. Subpart L: Secondary Lead Smelters.
13. Subpart M: Secondary Brass and Bronze Ingot Production Plants.
14. Subpart N: Iron and Steel Plants.
15. Subpart Na: Secondary Emissions from Basic Oxygen Process Steelmaking Facilities.
16. Subpart O: Sewage Treatment Plants.
17. Subpart P: Primary Copper Smelters.
18. Subpart Q: Primary Zinc Smelters.
19. Subpart R: Primary Lead Smelters.
20. Subpart S: Primary Aluminum Reduction Plants.
21. Subpart T: Phosphate Fert. Indus.: Wet Process Phosphoric Acid Plants.
22. Subpart U: Phosphate Fert. Indus.: Superphosphoric Acid Plants.
23. Subpart V: Phosphate Fert. Indus.: Diammonium Phosphate Plants.
24. Subpart W: Phosphate Fert. Indus.: Triple Superphosphate Plants.
25. Subpart X: Phosphate Fert. Indus.: Granular Triple Superphosphate Storage Facilities.
26. Subpart Y: Coal Preparation Plants.
27. Subpart Z: Ferroalloy Production Facilities.
28. Subpart AA: Steel Plants: Electric Arc Furnaces.
29. Subpart AAa: Electric Arc Furnaces and Argon Oxygen-Decarburization Vessels.
30. Subpart BB: Kraft Pulp Mills.
31. Subpart CC: Glass Manufacturing Plants.
32. Subpart EE: Surface Coating of Metal Furniture.
33. Subpart GG: Stationary Gas Turbines.
34. Subpart HH: Lime Manufacturing Plants.
35. Subpart TT: Metal Coil Surface Coating.
36. Subpart VV: Equipment Leaks of VOC in the Synthetic Organic Chemical Manufacturing Industry.
37. Subpart XX: Bulk Gasoline Terminals.
38. Subpart FFF: Flexible Vinyl and Urethane Coating and Printing.
39. Subpart KKK: Equipment Leaks of VOC from Onshore Natural Gas Processing Plants.
40. Subpart JJJ: Petroluem Dry Cleaners.
41. Subpart LLL: Standards of Performance for Onshore Natural Gas Processing Plants: SO_2 Emissions.
42. Subpart OOO: Nonmetallic Mineral Processing Plants.
43. Subpart PPP: Wool Fiberglass Insulation Manufacturing Plants.

On the same date, the State of Alabama also requested authority for the following recently adopted or revised NESHAP categories:

1. Subpart C: Beryllium.
2. Subpart D: Berylium Rocket Motor Firing.
3. Subpart E: Mercury.
4. Subpart F: Vinyl Chloride.
5. Subpart M: Asbestos.
6. Subpart N: Inorganic Arsenic Emissions from Glass Manufacturing Plants.
7. Subpart O: Inorganic Arsenic Emissions from Primary Copper Smelters.
8. Subpart P: Inorganic Arsenic Emissions from Arsenic Trioxide and Metallic Arsenic Production Facilities.
9. Subpart V: Equipment Leaks (Fugitive Emission Sources).

After a thorough review of the request, the Regional Administrator determined that such a delegation was appropriate for these source categories with the conditions set forth in the original delegation letter of August 5, 1976. Alabama sources subject to the requirements of Subparts D, Da, Db, E, F, G, H, I, J, K, Ka, L, M, N, Na, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AAa, BB, CC, EE, GG, HH, TT, VV, XX, FFF, KKK, JJJ, LLL, OOO, and PPP of 40 CFR Part 60 and Subparts C, D, E, F, M, N, O, P, and V of CFR Part 61, will now be under the jurisdiction of the State of Alabama.

Action: Since review of the pertinent Alabama laws, rules, and regulations showed them to be adequate for the implementation and enforcement of the aforementioned categories of NSPS and NESHAP, I delegated to the State of Alabama my authority for the source categories listed above on June 2, 1987.

The Office of Management and Budget has exempted this regulation from the requirements of section 3 of Executive Order 12291.

This notice is issued under the authority of sections 101, 111, 112, and 301 of the Clean Air Act, as amended (42 U.S.C. 7401, 7411, 7412 and 7601).

Dated: June 8, 1987.

Lee A. DeHihns, III,

Acting Regional Administrator.

[FR Doc. 87–13923 Filed 6–17–87; 8:45 am]

BILLING CODE 6560-50-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

42 CFR Part 58

Grants for Graduate Programs in Health Administration

AGENCY: Public Health Service, HHS.

ACTION: Final regulations.

SUMMARY: These regulations amend the existing regulations governing the program "Grants for Graduate Programs in Health Administration" to include a definition of "minority". This revision is in conformance with the amendment to section 791 of the Public Health Service Act (the Act), by the Health Professions Training Assistance Act, Pub. L. 99–129, enacted on October 22, 1985. An additional change is being made to conform the regulations to Pub. L. 99–239, the Compact of Free Association Act of 1985, enacted on January 14, 1986.

EFFECTIVE DATE: These regulations are effective on June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Ronald B. Merrill, Senior Program Consultant, Public Health Professions Branch, Division of Associated and Dental Health Professions, Bureau of Health Professions, Health Resources and Services Administration, Parklawn Building, Room 8C–09, 5600 Fishers Lane, Rockville, Maryland 20857; telephone number: 301 443–6896.

SUPPLEMENTARY INFORMATION: On November 20, 1986, the Assistant Secretary for Health, Department of Health and Human Services, with the approval of the Secretary, published in the **Federal Register** (51 FR 41988), a

Notice of Proposed Rulemaking (NPRM) to amend Subpart A of 42 CFR Part 58 to implement changes in section 791 of the Act. Pub. L. 99–129 amended section 791(c)(2), which formerly required an applicant to provide an assurance that at least 25 individuals would complete the educational program. The amended provision allows an accredited graduate program in health administration to graduate 20 students, rather than 25, if more than 45% of the total enrollment of the program will be minority students in the school year beginning in the fiscal year for which funds are requested.

In accordance with this new assurance provision, the Department proposed to include the following definition of "minority" in the regulations for this program.

"Minority" means an individual whose race/ethnicity is classified as American Indian or Alaskan Native, Asian or Pacific Islander, Black, or Hispanic.

The public comment period on the proposed regulations closed on January 20, 1987. The Department received one letter responding to the proposed regulations. The respondent had no objection to the proposed definition of "minority"; however, the respondent did note the change would affect relatively few accredited programs in health administration since most programs have difficulty in recruiting and retaining qualified minority students.

The Department agrees the revised regulations will apply to few, if any, accredited graduate health administration programs. Nevertheless, the amendments set out in the November 20, 1986, NPRM are adopted as proposed.

These final regulations make two additional revisions in the existing regulations. Because these amendments are technical and ministerial, the Secretary has determined pursuant to 5 U.S.C. 553 and departmental policy that it is unnecessary and impractical to follow proposed rulemaking procedures. The two revisions are summarized below:

1. Revise § 58.2, "*Definitions.*", by inserting after the "Trust Territory of the Pacific Islands" those entities which, for purposes of this grant program, are viewed as a State, "(the Republic of Palau), the Republic of the Marshall Islands, and the Federated States of Micronesia.", in accordance with the Compact of Free Association Act of 1985, Pub. L. 99–239; and

2. Cite the Office of Management and Budget (OMB) approval number in those sections which contain recordkeeping and reporting requirements.

Regulatory Flexibility Act and Executive Order 12291

These regulations govern a financial assistance program in which participation is voluntary. The rule will not exceed the threshold level of $100 million established in section (b) of Executive Order 12291. For these reasons, the Secretary has determined this rule is not a major rule under Executive Order 12291 and a regulatory impact analysis is not required. Further, because the rule does not have a significant economic impact on a substantial number of small entities, a regulatory flexibility analysis under the Regulatory Flexibility Act of 1980 is not required.

Paperwork Reduction Act of 1980

The information collection requirements in § 58.4 and § 58.10 have been approved by the Office of Management and Budget under the Paperwork Reduction Act of 1980 (OMB approval number 0915–0060). The OMB approval number for § 58.4 is codified, and although this rule does not amend the provisions in § 58.10, for codification purposes § 58.10 is amended to include the OMB approval number at the end of the section.

List of Subjects in 42 CFR Part 58

Educational study programs, Grant programs—health, Health professions, Public health, Student aid.

(*Catalog of Federal Domestic Assistance*, No. 13.963, Grants for Graduate Programs in Health Administration)

Accordingly, Subpart A of 42 CFR Part 58 is amended as set forth below.

Dated: April 14, 1987.

Robert E. Windom,

Assistant Secretary for Health.

Approved June 1, 1987.

Otis R. Bowen,

Secretary.

PART 58—GRANTS FOR TRAINING OF PUBLIC HEALTH AND ALLIED HEALTH PERSONNEL

Subpart A—Grants for Graduate Programs in Health Administration

1. The authority citation for Subpart A is revised to read as follows:

Authority: Section 215 of the Public Health Service Act, 58 Stat. 690, as amended by 67 Stat. 631 (42 U.S.C. 216); sec. 791 of the Public Health Service Act; 90 Stat. 2303–2304, 96 Stat. 2061, and 99 Stat. 543 (42 U.S.C. 295h).

2. Section 58.2 is amended by revising the following definitions as listed alphabetically to read as follows:

§ 58.2 Definitions.

* * * * *

"Minority" means an individual whose race/ethnicity is classified as American Indian or Alaskan Native, Asian or Pacific Islander, Black, or Hispanic.

* * * * *

"State" means, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands (the Republic of Palau), the Republic of the Marshall Islands, and the Federated States of Micronesia.

3. Section 58.4 is amended by revising paragraph (a) to read as follows:

§ 58.4 What assurances must be provided in an application?

* * * * *

(a) At least 25 individuals will complete the graduate educational programs of the applicant for which the application was made in the school year beginning in the fiscal year for which an applicant receives a grant. However, if the number of minority students enrolled in the graduate health administration program in such school year will exceed a number equal to 45% of the number of all students that will be enrolled in the program, then the applicant must provide assurance that at least 20 individuals will complete the program; and

* * * * *

4. Section 58.10 is amended by adding the OMB approval number at the end of the section to read as follows:

§ 58.10 What other audit and inspection requirements apply to grantees?

* * * * *

(Approved by the Office of Management and Budget under control number 0915–0060)

[FR Doc. 87–13871 Filed 6–17–87; 8:45 am]

BILLING CODE 4160–15–M

Proposed Rules

Federal Register
Vol. 52, No. 117
Thursday, June 18, 1987

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL HOME LOAN BANK BOARD

12 CFR Parts 571 and 588

[No. 87-613]

Accepting Things of Value

Dated: May 28, 1987.

AGENCY: Federal Home Loan Bank Board.

ACTION: Proposed policy statement.

SUMMARY: The Bank Bribery Amendments Act of 1985 requires that Federal agencies with responsibility for regulating financial institutions establish such guidelines as are appropriate to assist financial institution officials in complying with this law. The proposed guidelines were developed by the Interagency Bank Fraud Working Group. The guidelines proposed by the Federal Home Loan Bank Board ("Board") encourage all institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation and all Federal savings banks ("insured institutions") and savings and loan holding companies to adopt codes of conduct that describe the prohibitions of the bank bribery law. The guidelines also identify situations that, in the opinion of the Board, do not constitute violations of the Federal bank bribery law.

DATE: Comments must be received by August 17, 1987.

ADDRESS: Send comments to Director, Information Services Section, Office of the Secretariat, Federal Home Loan Bank Board, 1700 G Street NW., Washington, DC 20552. Comments will be available for inspection at this address.

FOR FURTHER INFORMATION CONTACT: Maureen Cooney, Attorney, Office of Enforcement, (202) 653-2643; or John Downing, Assistant Director, Office of Enforcement, (202) 653-2604 at the above address.

SUPPLEMENTARY INFORMATION: Title 11 of the Comprehensive Crime Control Act of 1984 (Pub. L. No. 98-473, 98 Stat. 1837) ("the 1984 Act"), amended the Federal bank bribery law, 18 U.S.C. section 215, to prohibit employees, officers, directors, agents, and attorneys of financial institutions from seeking or accepting anything of value in connection with any transaction or business of their financial institution. The amended law also prohibited anyone from offering or giving anything of value to employees, officers, directors, agents or attorneys of financial institutions for or in connection with any transaction or business of the financial institution. Because of its broad scope, the 1984 Act raised concerns that it might have made what is acceptable conduct unlawful.

In July 1985, the Department of Justice issued a Policy Concerning Prosecution Under the New Bank Bribery Statute ("Policy"). In that Policy, the Department of Justice discussed the basic elements of the prohibited conduct under section 215 and indicated that cases to be considered for prosecution under the new bribery law entail breaches of fiduciary duty or dishonest efforts to undermine financial institution transactions. Because the statute was intended to reach acts of corruption in the banking industry, the Department of Justice expressed its intent not to prosecute insignificant gift giving or entertaining that does not involve a breach of fiduciary duty or dishonesty.

Congress decided that the broad scope of the statute provided too much prosecutorial discretion. Consequently, Congress adopted the Bank Bribery Amendments Act of 1985 (Pub. L. No. 99-370, 100 Stat. 779, August 4, 1986) ("the 1985 Act"), to narrow the scope of 18 U.S.C. section 215 by adding a new element, namely, an intent to corruptly influence or reward an officer in connection with financial institution business. As amended, section 215 provides in pertinent part:

Whoever—

(1) corruptly gives, offers, or promises anything of value to any person, with intent to influence or reward an officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or

(2) as an officer, director, employee, agent, or attorney of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of such institution;

shall be (guilty of an offense).

The law now specifically excepts the payment of bona fide salary, wages, fees, or other compensation paid, or expenses paid or reimbursed, in the usual course of business. This exception is set forth in subsection 215(c).

The penalty for a violation remains the same as it was under the 1984 Act. If the value of the thing offered or received exceeds $100, the offense is a felony punishable by up to five years imprisonment and a fine of $5,000 or three times the value of the bribe or gratuity. If the value does not exceed $100, the offense is a misdemeanor punishable by up to one year imprisonment and a maximum fine of $1,000.

In addition, the law now requires the financial institution regulatory agencies to publish guidelines as are appropriate to assist employees, officers, directors, agents, and attorneys of financial institutions to comply with the law. The legislative history of the 1985 Act makes it clear that the guidelines would be relevant to, but not dispositive of, any prosecutorial decision the Department of Justice may make in any particular case. 132 Cong. Rec. 5944 (daily ed. Feb. 4, 1986). Therefore, the guidelines developed by the financial regulatory agencies are not a substitute for the legal standards set forth in the statute. Nonetheless, in adopting its own prosecution policy under the bank bribery statute, the Department of Justice can be expected to take into account the financial institution regulatory agencies' expertise and judgment in defining those activities or practices that the agencies believe do not undermine the duty of an employee, officer, director, agent, or attorney of the financial institution. *United States Attorneys' Manual*, section 9-40.439.

Proposed Policy Statement

The proposed policy statement encourages all insured institutions and savings and loan holding companies to adopt internal codes of conduct or written policies or to amend their present codes of conduct or policies to include provisions that explain the general prohibitions of the bank bribery law. The guidelines contained in the proposed policy statement relate only to

the bribery law and do not address other areas of conduct that an insured institution or savings and loan holding company would find advisable to cover in its code of ethics. The code should prohibit, consistent with the statute, any employee, officer, director, agent or attorney of an insured institution or savings and loan holding company ("financial institution official") from: (1) Soliciting for themselves or for a third party (other than the insured institution or savings and loan holding company itself) anything of value from anyone in return for any business, service, or confidential information of the insured institution or savings and loan holding company; and (2) accepting anything of value (other than normal authorized compensation) from anyone in connection with the business of the insured institution or savings and loan holding company, either before or after a transaction is discussed or consummated.

The insured institutions' and savings and loan holding companies' codes or policies should be designed to alert financial institution officials about the bank bribery statute, as well as to establish and enforce written policies on acceptable business practices.

In its code of conduct, the insured institution or savings and loan holding company may, however, specify appropriate exceptions to the general prohibition of accepting something of value in connection with its business. There are a number of instances where a financial institution official, without risk of corruption or breach of trust, may accept something of value from a person or company doing or seeking to do business with the insured institution or savings and loan holding company. The most common examples are the business luncheon or the holiday season gift from a customer. In general, there is no threat of a violation of the statute if the acceptance is based on a family or personal relationship existing independent of any business of the institution; if the benefit is available to the general public under the same conditions on which it is available to the financial institution official; or if the benefit would be paid for by the insured institution or savings and loan holding company as a reasonable business expense if not paid by another party. Indeed, by adopting a code of conduct with appropriate allowances for such circumstances, an insured institution or savings and loan holding company recognizes that acceptance of certain benefits by its financial institution officials does not amount to a corrupting influence on the institution's or holding company's transactions.

In issuing guidance under the statute in the area of business purpose entertainment or gifts, it is not advisable for the Board to establish rules about what is reasonable or normal in fixed dollar terms. What is reasonable in one part of the country may appear lavish in another part of the country. An insured institution or savings and loan holding company should seek to embody the highest ethical standards in its code of conduct. In doing this, an insured institution or savings and loan holding company may establish in its own code of conduct a range of dollar values that cover the various benefits that its financial institution officials may receive from those doing or seeking to do business with the institution or holding company.

The code of conduct should provide that, if a financial institution official is offered, receives, or anticipates receiving something of value from a customer beyond what is expressly authorized in the insured institution's or savings and loan holding company's code of conduct or written policy, the financial institution official must disclose that fact to an appropriately designated official of the insured institution or savings and loan holding company. The insured institution or savings and loan holding company should keep contemporaneous written reports of such disclosures. An effective reporting and review mechanism should serve to prevent situations that might otherwise lead to implications of corrupt intent or breach of trust and should enable the institution or holding company to better protect itself from self-dealing. However, a financial institution official's full disclosure would evidence good faith only when such disclosure is made in the context of properly exercised supervision and control. Thus, the prohibitions of the bank bribery statute cannot be avoided by simply reporting to management the acceptance of various gifts unless management reviews the disclosures and determines that what is accepted is reasonable and does not pose a threat to the integrity of the insured institution or savings and loan holding company.

The Board recognizes that a serious threat to the integrity of an insured institution or a savings and loan holding company occurs when its financial institution officials become involved in outside business interests or employment that gives rise to a conflict of interest. Such conflicts of interest may evolve into corrupt transactions that are covered under the bank bribery statute. Accordingly, insured institutions and savings and loan holding companies are encouraged to prohibit, in their codes of conduct or policies, their financial institution officials from self-dealing or otherwise trading on their positions with the institution or holding company or accepting from a person or company doing or seeking to do business with the institution or holding company a business opportunity not generally available to the public. In this regard, an institution or savings and loan holding company's code of conduct or policy should consider requiring that its financial institution officials disclose all potential conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships with customers, suppliers, business associates, or competitors of the institution or holding company.

Initial Regulatory Flexibility Analysis

Pursuant to section 3 of the Regulatory Flexibility Act, 5 U.S.C. 603, the Board is providing the following regulatory flexibility analysis:

1. *Reasons, objectives, and legal basis underlying the proposed policy statement.* These elements are incorporated above in **SUPPLEMENTARY INFORMATION.**

2. *Small entities to which the proposed policy statement would apply.* The proposed policy statement would apply to all insured institutions and savings and loan holding companies without regard to size.

3. *Impact of the proposed policy statement on small entities.* The Board believes that the proposed policy statement would not have a significant economic impact on a substantial number of small banks or other small entities.

4. *Overlapping in conflicting federal rules.* There are no known federal rules that duplicate, overlap, or conflict with this proposal. Similar proposals have been or are being made by other federal banking supervisory agencies for the institutions which they regulate.

5. *Alternatives to the proposed policy statement.* In the above **SUPPLEMENTARY INFORMATION** the Board is soliciting comment on the guidelines as proposed.

List of Subjects in 12 CFR Parts 571 and 588

Accounting, Bank deposit insurance, Gold, Holding companies, Savings and loan associations.

Accordingly, the Board hereby proposes to amend Part 571, Subchapter D and Part 588, Subchapter F, Chapter

V, Title 12, Code of Federal Regulations, as set forth below.

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

PART 571—STATEMENTS OF POLICY

1. The authority citation for 12 CFR Part 571 is revised to read as follows:

Authority: Sec. 5A, 47 Stat. 727, as added by sec. 1, 64 Stat. 256, as amended (12 U.S.C. 1425a); sec. 17, 47 Stat. 736, as amended (12 U.S.C. 1437); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); secs. 402–403, 407, 48 Stat. 1256–1257, 1260, as amended (12 U.S.C. 1725–1726, 1730); sec. 2, 100 Stat. 779, as amended (18 U.S.C. 215); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943-48 Comp., p. 1071.

2. Amend Part 571 by adding a new § 571.18 to read as follows:

§ 571.18 Accepting things of value.

(a) In order to alert directors, officers, employees, agents, and attorneys of insured institutions ("institution officials") about the bank bribery statute, 18 U.S.C. 215, and to establish and enforce written policies on acceptable business practices of its officials, each insured institution is encouraged to adopt an internal code of conduct, or to amend its present code of conduct, consistent with the bank bribery statute, to prohibit its officials from:

(1) Soliciting for themselves or for a third party (other than the insured institution itself or its subsidiary) anything of value from anyone in return for any business, service or confidential information of the insured institution, and

(2) Accepting anything of value (other than authorized compensation) from any person or company in connection with the business of the insured institution.

(b) In its code of conduct or written policy, an insured institution may describe appropriate exceptions to the general prohibition regarding the acceptance of things of value in connection with its business. These exceptions may include those that:

(1) Permit the acceptance of gifts, gratuities, amenities, or favors based on obvious family or personal relationships (such as those between the parents, children, or spouse and the institution official) where the circumstances make it clear that it is those relationships rather than the business of the insured institution concerned that are the motivating factors;

(2) Permit acceptance of meals, refreshments or entertainment of reasonable value in the course of a meeting or other occasion the purpose of which is to hold bona fide business discussions (the insured institution may establish a specific dollar limit for such an occasion);

(3) Permit acceptance of loans from other financial institutions on customary terms to finance proper and usual activities of institution officials, such as home mortgage loans, except where prohibited by law;

(4) Permit acceptance of advertising or promotional material of nominal value, such as pens, pencils, note pads, key chains, calendars, and similar items;

(5) Permit acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers;

(6) Permit acceptance of gifts of modest value that are related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, Christmas, or bar or bat mitzvah (the insured institution may establish a specific dollar limit for such an occasion); or

(7) Permit the acceptance of civic, charitable, educational, or religious organization awards for recognition of service and accomplishment (the insured institution may establish a specific dollar limit for such an occasion).

The policy or code may also provide that, on a case-by-case basis, an insured institution may approve of other circumstances, not identified above, in which an institution official may accept something of value in connection with the institution's business. However, any such approval must be made in writing on the basis of a full written disclosure of all relevant facts and be consistent with the bank bribery statute, 18 U.S.C. 215.

(c) The insured institution should maintain a copy of any code of conduct or written policy it establishes for its institution officials, including any modifications thereof.

(d) The insured institution should require periodic written acknowledgement from institution officials of its code or policy and the institution officials' agreement to comply therewith.

(e) The insured institution should maintain contemporaneous written reports of any disclosures made by institution officials in connection with a code of conduct or written policy.

SUBCHAPTER F—REGULATIONS FOR SAVINGS AND LOAN HOLDING COMPANIES

PART 588—STATEMENTS OF POLICY

3. Part 588 is amended by adding a table of contents directly after the part designation; the authority citation for 12 CFR Part 588 is revised to read as follows:

Sec.
588.1 Applications involving gold or gold-related transactions.
588.2 Accepting things of value.

Authority: Sec. 402, 48 Stat. 1256, as amended (12 U.S.C. 1725); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); sec. 2, 100 Stat. 779, as amended (18 U.S.C. 215); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–48 Comp., p. 1071.

4. Amend Part 588 by adding a new § 588.2 to read as follows:

§ 588.2 Accepting things of value.

In order to alert directors, officers, employees, agents and attorneys of savings and loan holding companies ("holding company officials") about the bank bribery statute, 18 U.S.C. 215, and to promote the establishment and enforcement of written policies on acceptable business practices, each savings and loan holding company is encouraged to adopt or amend a code of conduct as described in § 571.18. For this purpose the term "insured institution" used in Section 571.18 shall be understood to mean "savings and loan holding company," and "institution official" shall be understood to mean "holding company official." Savings and loan holding companies which accept codes of conduct as described herein should maintain records in accordance with paragraphs (c), (d) and (e) of § 571.18.

By the Federal Home Loan Bank Board.

John F. Ghizzoni,

Assistant Secretary.

[FR Doc. 87–13904 Filed 6–17–87; 8:45 am]

BILLING CODE 6720-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 2 and 380

[Docket No. RM87-15-000]

Regulations Implementing the National Environmental Policy Act of 1969

Issued: June 11, 1987.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Notice of proposed rulemaking; Correction.

SUMMARY: The Federal Energy Regulatory Commission amends its

"Notice of Proposed Rulemaking for Regulations Implementing the National Environmental Policy Act of 1969," 52 FR 20314 (May 29, 1987), by adding a section of the CEQ regulations that the Commission proposes to adopt. This section, 40 CFR 1502.5, was inadvertently omitted from the previous proposal.

DATE: Written comments on this amendment to the proposed rule must be filed by July 28, 1987.

ADDRESS: Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: Lynn S. Lichtenstein, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, (202) 357–8530.

SUPPLEMENTARY INFORMATION:

Discussion

On May 14, 1987, the Federal Energy Regulatory Commission proposed rules for implementing the National Environmental Policy Act of 1969, "Notice of Proposed Rulemaking for Regulations Implementing the National Environmental Policy Act of 1969," 52 FR 20314 (May 29, 1987). The Commission intended to propose adopting § 1502.5 of Part 40, *Timing*. This section describes when an agency shall commence preparation of an Environmental Impact Statement and specific points for preparation of the EIS for certain actions. It was inadvertently omitted from the Notice of Proposed Rulemaking.

Section 1502.5 is discussed in the preamble to the proposed rule with regard to a modification (50 FR at 20328). The Commission's intention was and remains to adopt the section with the omission of the second sentence of § 1502.5(b).

As explained in the preamble, the second sentence of § 1502.5(b) is not proposed for adoption because it would conflict with other statutes and regulations. The sentence encourages Federal agencies to begin preparation of environmental assessments or statements prior to the receipt of applications. Specific consultation requirements for applicants are contained in statutes and regulations such as section 10(a)(3) of the Federal Power Act (as amended by the Electric Consumer Protection Act of 1986, section 3(b)(4), 100 Stat. 1243, 1244); section 30 of the Federal Power Act; and § 4.38 of Title 18, Code of Federal Regulations.

Kenneth F. Plumb,

Secretary.

PART 380—REGULATIONS IMPLEMENTING THE NATIONAL ENVIRONMENTAL POLICY ACT

1. The authority for Part 380 continues to read as follows:

Authority: National Environmental Policy Act of 1969, 42 U.S.C. 4321–4347 (1982); Department of Energy Organization Act, 42 U.S.C. 7101–7352 (1982); E. O. No. 12009, 3 CFR 1978 Comp., p. 142.

2. Subchapter W, Part 308, is amended by adding paragraph (b)(8) to § 380.3 to read as follows:

Subpart A—General Provisions

§ 380.3 Portions of CEQ regulations adopted, modified, or implemented.

* * * * *

(b) * * *

(8) Timing (§ 1502.5). An agency shall commence preparation of an environmental impact statement as close as possible to the time the agency is developing or is presented with a proposal (§ 1508.23) so that preparation can be completed in time for the final statement to be included in any recommendation or report on the proposal. The statement shall be prepared early enough so that it can serve practically as an important contribution to the decisionmaking process and will not be used to rationalize or justify decisions already made (§§ 1500.2(c), 1501.2, and 1502.2). For instance:

(i) For projects directly undertaken by Federal agencies the environmental impact statement shall be prepared at the feasibility analysis (go-no-go) stage and may be supplemented at a later state if necessary.

(ii) For applications to the agency appropriate environmental assessments or statements shall be commenced no later than immediately after the application is received.

(iii) For adjudication, the final environmental impact statement shall normally precede the final staff recommendation and that portion of the public hearing related to the impact study. In appropriate circumstances the statement may follow preliminary hearings designed to gather information for use in the statements.

(iv) For informal rulemaking the draft environmental impact statement shall normally accompany the proposed rule.

* * * * *

[FR Doc. 87–13763 Filed 6–17–87; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 310

[Docket No. 86N–0337]

Oral Contraceptives; Patient Package Insert Requirement; Correction

AGENCY: Food and Drug Administration.

ACTION: Proposed rule; Correction.

SUMMARY: The Food and Drug Administration (FDA) is correcting the inadvertent omission of a paragraph concerning the comment period in a proposed rule published in the **Federal Register** of April 21, 1987 (52 FR 13107). This document corrects that error by specifying the procedures that are necessary to submit written comments on the proposed rule.

DATE: Comments by July 20, 1987.

ADDRESS: Written comments to the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Rada Proehl, Regulations Editorial Staff (HFC–222), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–2994.

SUPPLEMENTARY INFORMATION: In FR Doc. 87–8848, appearing on page 13108, second column, in the **Federal Register** of Tuesday, April 21, 1987, the following paragraph is added after the last paragraph under **"SUPPLEMENTARY INFORMATION"** and before the heading, "List of Subjects in 21 CFR Part 310" to read as follows:

Interested persons may, on or before July 20, 1987, submit to the Dockets Management Branch (address above) written comments regarding this proposal. Two copies of any comments are to be submitted, except that individuals may submit one copy. Comments are to be identified with the docket number found in brackets in the heading of this document. Received comments may be seen in the office above between 9 a.m. and 4 p.m., Monday through Friday.

Dated: June 11, 1987.

John M. Taylor,

Associate Commissioner for Regulatory Affairs.

[FR Doc. 87–13858 Filed 6–17–87; 8:45 am]

BILLING CODE 4160-01-M

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

29 CFR Part 2201

Regulations Implementing the Freedom of Information Act

AGENCY: Occupational Safety and Health Review Commission.

ACTION: Proposed rule.

SUMMARY: The Occupational Safety and Health Review Commission proposes changes in its procedures for responding to public requests for access to records or information maintained by the Commission.

DATE: Comments must be received on or before July 6, 1987.

ADDRESS: Comments may be mailed to: Earl R. Ohman, Jr., General Counsel, Occupational Safety and Health Review Commission, Room 402–A, 1825 K Street, NW., Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT: Linda A. Whitsett at (202) 634–7943.

SUPPLEMENTARY INFORMATION: The Occupational Safety and Health Review Commission proposes to revise 29 CFR Part 2201, its regulations for responding to public requests for access to records or information under the Freedom of Information Act (FOIA), 5 U.S.C. 552. The proposed regulations would implement and reflect recent amendments to the FOIA made by the Freedom of Information Reform Act of 1986, Pub. L. 99–570, 1801–1804. They also reflect guidelines issued by the Office of Management and Budget at 52 FR 10012 (March 27, 1987) and an interpretive memorandum of the Department of Justice, dated April 2, 1987. The proposed regulations would also update and clarify the Commission's current regulations. The Commission invites public comment under 5 U.S.C. 552(a)(4)(A)(i), which requires notice and an opportunity for public comment. The Commission sets only a 15-day comment period because much of its proposal follows the guidelines of the Office of Management and Budget, which have already been subject to notice-and-comment rulemaking, and because the adoption of these regulations is already overdue.

List of Subjects in 29 CFR Part 2201

Freedom of Information, Records.

The Commission proposes to revise 29 CFR Part 2201 to read as follows:

PART 2201—REGULATIONS IMPLEMENTING THE FREEDOM OF INFORMATION ACT

Sec.

Authority: 29 U.S.C. 661(g); 5 U.S.C. 552.

§ 2201.1 Purpose and scope.

This part prescribes procedures to obtain information and records of the Occupational Safety and Health Review Commission under the Freedom of Information Act, 5 U.S.C. 552. It applies only to records or information of the Commission or in the Commission's custody. This part does not affect discovery in adversary proceedings before the Commission. Discovery is governed by the Commission's Rules of Procedure in 29 CFR Part 2200, Subpart D.

§ 2201.2 Description of agency.

The Occupational Safety and Health Review Commission (OSHRC or Commission) adjudicates contested enforcement actions under the Occupational Safety and Health Act of 1970, 29 U.S.C. 651–678. The Commission decides cases after the parties are given an opportunity for a hearing. All hearings are open to the public and are conducted at a place convenient to the parties by an Administrative Law Judge. Any Commissioner may direct that a decision of a Judge be reviewed by the full Commission.

§ 2201.3 Delegation of authority.

The Public Information Specialist is delegated the authority to act upon all requests for records. In the absence of the Public Information Specialist, the Chairman or the Executive Director may designate another Commission officer or employee to respond to requests. Copies of individual Commission decisions may be obtained directly from the Commission's regional offices as well as from the Public Information Specialist. See § 2201.5(a). All other information requests shall be directed to the Public Information Specialist. See § 2201.5(b).

§ 2201.4 General policy.

(a) *Non-exempt records available to public.* Except for records and information exempted from disclosure by 5 U.S.C. 553(b) or published in the **Federal Register** under 5 U.S.C. 552(a)(1), all records of the Commission or in its custody are available to any person who requests them in accordance with § 2201.6.

(b) *Examination of records in cases appealed to courts.* A final order of the Commission may be appealed to a United States Court of Appeals. When this occurs, the Commission may send part or all of the official case file to the court and may retain other parts of the file. Thus, a document in a case may not be available from the Commission but only from the court of appeals. In such a case, the Public Information Specialist may inform the requester that the request for a particular document should be directed to the court.

(c) *Time for examination and copying.* Records may be examined and copied, under conditions prescribed by the Public Information Specialist, between the hours of 10 a.m. and 3 p.m. on any business day so long as the examination or copying do not interfere with the hearing or disposition of a pending case.

§ 2201.5 Copies of Commission decisions.

(a) *Single decisions.* One copy of a Commission decision or decision by an Administrative Law Judge may be obtained free of copying fees by calling, writing or visiting any Commission regional office or the Public Information Specialist at the Commission's national office. A search fee may be charged, however, if the decision is not identified by name and date, or by docket number, or if it is not otherwise easily identifiable. See § 2201.8(b)(2)(i). Copying fees will be charged if more than one decision is requested and the copying cost exceeds $10. See § 2201.8 (a)(1) and (b)(1). The addresses and telephone numbers of the offices at which decisions are available are:

National Office

OSHRC, Public Information Specialist, 1825 K Street, NW., Room 414, Washington, DC 20006–1246. Telephone 202–634–7943.

Regional Offices

Atlanta, Georgia: 1365 Peachtree Street, NE., Room 420, Atlanta, Georgia 30309–3110. Telephone 404–347–4197.

Boston, Massachusetts: John W. McCormack Post Office and Courthouse, Room 420, Boston, Massachusetts 02109–4501. Telephone 617–223–9746.

Dallas, Texas: Federal Building, Room 7B11, 1100 Commerce Street, Dallas, Texas 75242–0791. Telephone 214–767–5271.

Denver, Colorado: 1050 Seventeenth Street, Suite 1718, Denver, Colorado 80265–1701, 303–844–2281.

(b)(1) *OSAHRC Reports.* All final Commission decisions (including decisions of the Commission and its Administrative Law Judges) of general

applicability, and concurring and dissenting opinions, are published in a series of microfiche entitled OSAHRC Reports. OSAHRC Reports may be purchased from the Superintendent Of Documents, U.S. Government Printing Office, Washington, DC 20402. Persons wishing to obtain copies of numerous decisions and avoid large copying charges may purchase OSAHRC Reports or subscribe to a private reporting service.

(2) *Citation form.* Decisions in the microfiche series of OSAHRC Reports are officially cited as follows: The name of the cited employer; the last two digits of the year of the decision; OSAHRC (signifying the name of the official reporter, OSAHRC Reports); the serial number of the fiche on which the decision is printed; followed by a slash mark and the coordinates on the fiche for the first page of the decision. For example, *J.W. Black Lumber Co.*, 75 OSAHRC 1/B9.

(3) *Indices.* The Commission indexes decisions in OSAHRC Reports by docket number and alphabetically by name. These indices may be purchased by contacting the Public Information Specialist.

§ 2201.6 Procedure for requesting records

(a) *Obtaining procedural rules, press releases, hearing dates, etc.* Press releases, rules of procedure, published material other than decisions and their indices, information concerning the date, time and place of hearings, and other infomation of a general nature concerning operations of the Commission may be obtained free of charge by calling, writing or visiting the Public Information Specialist. See the address and telephone number in § 2201.5(a).

(b) *Other information.* Persons wishing to obtain copies of documents (including the hearing transcript) filed in a case before the Commission or one of its Judges, or any other information or record of the Commission or in its custody (except for one copy of a decision by the Commission or a Judge, and information that is freely available under paragraph (a) of this section), shall submit a request in writing to the Public Information Specialist at the address in § 2201.5(a). The request shall be clearly identified as a request for information under the Freedom of Information Act. The envelope or cover enclosing or covering the request shall have the phrase "INFORMATION REQUEST" in capital letters on it.

(c) *Date of receipt.* A request that complies with the preceding paragraph is deemed received when received by the Commission. A request that does not comply with the preceding paragraph is deemed received when it is actually received by the Public Information Specialist. If the Public Information Specialist has required advance payment or satisfactory assurance of full payment under § 2201.8(f), the request will not be deemed received until the Public Information Specialist has received the payment or assurance.

(d) *Specificity required.* Requesters shall describe the records sought with reasonable specificity.

§ 2201.7 Response to requests.

(a) *Response within ten working days.* Except in the unusual circumstances stated in 5 U.S.C. 552(a)(6)(B) (concerning search and collection of records in separate offices, voluminous records, and consultation with another agency or another Commission office), the Public Information Specialist shall respond to a request for records or information submitted in accordance with § 2200.6 within ten working days after receipt of the request.

(b) *Content of denial.* When the Public Information Specialist denies a request, the notice of the denial shall state the reason for it and that the denial may be appealed as specified below. A refusal by the Public Information Specialist to process the request because the requester has not made an advance payment or given a satisfactory assurance of full payment required under § 2201.8(f) may be treated as a denial of the request and appealed under paragraph (c) of this section.

(c) *Appeal of denial.* A denial of a request may be appealed in writing to the Chairman of the Commission within 30 working days after the requester receives notice of the denial. The Chairman shall act on the appeal under 5 U.S.C. 552(a)(6)(ii) within 20 working days after the receipt of the appeal. If the Chairman wholly or partially upholds the denial of the request, he shall notify the requesting person that he may obtain judicial review of the Chairman's action under 5 U.S.C. 552(a)(4)(B)-(G).

§ 2201.8 Fees for copying, searching, and review

(a) *Discretion in charging fees*—(1) *Fees required unless waived.* The Public Information Specialist shall charge the fees stated in paragraph (b) of this section unless the fees for a request are less than $10, in which case no fees shall be charged. The Public Information Specialist shall, however, waive the fees in the circumstances stated in § 2201.9.

(2) *News media requests deemed not commercial.* Requests made for a commercial use are generally subject to higher fees than requests from a representative of the news media. For the purpose of this section, a request for a representative of the news media that supports the news dissemination function of the requester will not be considered to be for a commercial use.

(3) *Presumption of commercial use.* The Public Information Specialist shall presume that a request is for a commercial use unless the request indicates otherwise or the requester later shows otherwise. The Public Information Specialist may draw inferences as to the purpose of a request based on the identity of the requesting party, as indicated by the letterhead or the text of the request.

(b) *Types of fees.*—(1) *Copying fee.* The fee copy of each page up to 8½"x14" shall be $.25 per copy per page. Copying fees shall not be charged for the first 100 pages of copies unless the copies are requested for a commercial use. One copy of a Commission or judge's decision will be provided free of charge. See § 2201.5(a).

(2) *Search fee.* The fee for searching for information and records shall be $10 per hour of clerical time and $20 per hour for professional time. Fees for searches of computerized records shall be the actual cost to the Commission but shall not exceed $300 per hour. This fee includes machine time and that of the operator and clerical personnel. The fee for computer printouts shall be $.40 per page. Commercial requests shall be charged for all search time. Time spent on unsuccessful searches shall be fully charged. However, search fees shall be limited or not charged as follows:

(i) *Easily identifiable decisions.* Search fees shall not be charged for searching for decisions that the requester identifies by name and date, or by docket number, or that are otherwise easily identifiable.

(ii) *Educational, scientific or news media requests.* No fee shall be charged if the request is not for commercial use and is by an educational or scientific institution, whose purpose is scholarly or scientific research, or by a representative of the news media.

(iii) *Other non-commercial requests.* No fee shall be charged for the first two hours of searching if the request is not for a commercial use and is not by an educational or scientific institution, or a representative of the news media.

(iv) *Requests for records about self.* No fee shall be charged to search for records filed in the Commission's systems of records if the requester is the subject of the requested records. See the Privacy Act of 1974, 5 U.S.C. 552a(f)(5) (fees to be charged only for copying).

(3) *Review fee.* A review fee shall be charged only for commercial requests. The review fee shall be charged for the initial examination of documents located in response to a request to determine if it may be withheld from disclosure, and for the excision of withholdable portions, but shall not be charged for review by the Chairman under § 2201.7(c). The review fee is $20 per hour.

(c) *Aggregation of requests.* The Public Information Specialist shall aggregate multiple requests if a requester or group of requesters attempt to break down a request into a series of requests to evade fees. The Public Information Specialist may presume that multiple requests made within a thirty-day period by a single requester on the same subject have been made to evade fees.

(d) *Certification or authentication.* The fee for certification or authentication shall be $3 per document.

(e) *Fees likely to exceed $25.* If copying or search charges are likely to exceed $25, the Public Information Specialist shall notify the requester of the estimated amount of the charges, unless the requester has indicated in advance a willingness to pay fees as high as those anticipated. The notification shall offer the requester an opportunity to confer with the Public Information Specialist to reformulate the request to meet the requester's needs at a lower cost.

(f) *Advance Payments.* Advance payment of fees will generally not be required. If, however, charges are likely to exceed $250, the Public Information Specialist shall notify the requester of the likely cost and: if the requester has a history of prompt payment of FOIA charges, obtain satisfactory assurance of full payment; or if the requester has no history of payment, require an advance payment of an amount up to the full estimated charge. If the requester has previously failed to pay a fee within 30 days of the date of billing, the Public Information Specialist may require the requester to pay the full amount owed plus any interest owed as provided in paragraph (g) of this section or demonstrate that he has, in fact, paid the fee, and to make an advance payment of the full amount of the estimated charges before the Public Information Specialist begins to process the new request or a pending request from that requester.

(g) *Interest on unpaid bills.* The Public Information Specialist shall begin assessing interest charges on unpaid bills starting on the thirty-first day after the date the bill was sent. The accrual of interest will be stayed when the Public Information Specialist receives a check in payment. Interest will be at the rate described in 31 U.S.C. 3717 and will accrue from the date of billing.

(h) *Debt collection procedures.* If bills are unpaid 60 days after the mailing of a written notice to the requester, the Public Information Specialist may resort to the debt collection procedures set out in the Debt Collection Act of 1982, Pub. L. 97–365, including disclosure to consumer credit reporting agencies (see 26 U.S.C. 6103) and use of collection agencies to encourage payment. See 31 U.S.C. 3718 and 3302.

§ 2201.9 Waiver of fees.

(a) *General.* The Public Information Specialist shall waive part or all of the fees assessed under § 2201.8(b) if two conditions are satisfied: Disclosure of the information is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the government; and disclosure is not primarily in the commercial interest of the requester. The Public Information Specialist shall afford the requester the opportunity to show that he comes within these two conditions. The following factors may be considered in determining whether the two conditions are satisfied: whether the requested records shed light on the activities of the Commission or the Secretary of Labor, as opposed to those of a private person; whether a large segment of the public will learn of the information; whether the requester expects to gain an economic or trade advantage from the information; whether the requester is a representative of the news media.

(b) *Partial waiver of fees.* If the two conditions stated in subsection (a) are met, the Public Information Specialist will ordinarily waive all fees. In exceptional cases, however, only a partial waiver may be granted if the request for records would impose an exceptional burden or require an exceptional expenditure of Commission resources, and the request for a waiver minimally satisfies the "public interest" requirement in paragraph (a) of this section.

§ 2201.10 Maintenance of statistics.

(a) The Public Information Specialist shall maintain records of:

(1) The total amount of fees collected by this agency under this part;

(2) The number of denials of requests for records or information made under this part and the reason for each;

(3) The number of appeals from such denials, together with the results of such appeals, and the reasons for the action upon each appeal that results in a denial of information or documents;

(4) The name and title or position of each person responsible for each denial of records requested and the number of instances of participation for each;

(5) The results of each proceeding conducted under 5 U.S.C. 552(a)(4)(F), including a report of the disciplinary action against the official or employee primarily responsible for improperly withholding records, or an explanation of why disciplinary action was not taken;

(6) A copy of every rule made by this agency affecting or implementing 5 U.S.C. 552;

(7) A copy of the fee schedule for copies of records and documents requested under this part; and

(8) All other information that indicates efforts to administer fully the letter and spirit of the Freedom of Information Act and the above rules.

(b) The Public Information Specialist shall annually, within 60 days following the close of each calendar year, prepare a report covering each of the categories of records to be maintained in accordance with the foregoing and submit the same to the Speaker of the House of Representatives and the President of the Senate for referral to the appropriate committees of the Congress.

Dated: June 12, 1987.

E. Ross Buckley,

Chairman.

[FR Doc. 87–13901 Filed 6–17–87; 8:45 am]

BILLING CODE 7600–01–M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

[CGD5–86–032]

Drawbridge Operation Regulations; Beaufort Channel, Beaufort, NC

AGENCY: Coast Guard, DOT.

ACTION: Proposed rule.

SUMMARY: At the request of the North Carolina Department of Transportation, the Coast Guard is considering a change to the regulations governing the operation of the drawbridge on U.S. 70 across Beaufort Channel, mile 0.1, at Beaufort, North Carolina. The requester asks that openings of the bridge be limited to once every hour on the half hour for pleasure craft during the boating season. The proposal is being made in an effort to alleviate highway traffic congestion is the vicinity of the

drawbridge. Since this request does not reduce the number of possible draw openings, the reasonable needs of navigation should be met.

DATE: Comments must be received by August 3, 1987.

ADDRESS: Comments should be mailed to Commander (oan), Fifth Coast Guard District, 431 Crawford Street, Portsmouth, Virginia 23704-5004. The comments received will be available for inspection and copying at the above address, Room 609, between 8 a.m. and 4 p.m., Monday through Friday, except holidays. Comments may also be hand-delivered to this address.

FOR FURTHER INFORMATION CONTACT: Ann B. Deaton, Bridge Administrator, telephone (804) 398-6222.

SUPPLEMENTARY INFORMATION: Interested persons are invited to participate in this rulemaking by submitting written views, comments, data, or arguments. Persons submitting comments should include their names and addresses, identify the bridge, and give reasons for concurrence with or any recommended change in the proposals. Persons desiring acknowledgement that their comments have been received should enclose a stamped, self-addressed postcard or envelope.

The Commander, Fifth Coast Guard District, will evaluate all communications received and determine a course of final action on this proposal. The proposed regulation may be changed in light of comments received.

Drafting Information

The drafters of this notice are Linda L. Gilliam, project officer, and CDR R. J. Reining, project attorney.

Discussion of Proposed Rule

In March 1984, the North Carolina Department of Transportation requested that the regulation for the bridge be amended to restrict the openings of the bridge between 7:00 a.m. and 7:00 p.m. from May 1 through October 31. A proposed rule was published in the **Federal Register** (50 FR 15461) on April 18, 1985, and a final rule was published in the **Federal Register** on (50 FR 17012) on May 8, 1986. The North Carolina Department of Transportation has once again requested a change to the drawbridge regulations for the bridge. The current regulations in 33 CFR 117.822 require the draw to open on the hour for the passage of pleasure vessels between the hours of 7:00 a.m. and 7:00 p.m. from May 1 through October 31. The requested amendment would change the time of the hourly opening from on the hour to on the half hour. It would also change the time of the restricted openings during those months to between 7:30 a.m. and 7:30 p.m. The requestor feels these changes will help alleviate traffic during rush hours.

Economic Assessment and Certification

This proposed regulation is considered to be non-major under Executive Order 12291 on Federal Regulation and nonsignificant under the Department of Transportation regulatory policies and procedures (44 FR 11034; February 26, 1979). The economic impact of this proposal is expected to be so minimal that a full regulatory evaluation is unnecessary. This conclusion is based on the fact that the proposed regulation will have no effect on commercial navigation, or on any industries that depend on waterborne transportation. Since the economic impact of this proposal is expected to be so minimal, the Coast Guard certifies that, if adopted, it will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 33 CFR Part 117

Bridges.

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Proposed Regulation

In consideration of the foregoing, the Coast Guard proposes to amend Part 117 of Title 33, Code of Federal Regulations as follows:

1. The authority citation for Part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 49 CFR 1.46; 33 CFR 1.05-1(g).

2. Section 117.822 is revised to read as follows:

§ 117.822 Beaufort Channel, North Carolina.

(a) From May 1 to October 31, the draw shall open on signal every hour on the half hour from 7:30 a.m. to 7:30 p.m. for the passage of pleasure craft. To accommodate approaching pleasure craft, the hourly opening may be delayed up to 10 minutes past the half hour.

(b) The draw shall open on signal for public vessels of the United States, State, and local governments, commercial vessels, and any vessel in an emergency involving danger to life or property.

Dated: June 8, 1987.

B.F. Hollingsworth,

Rear Admiral, U.S. Coast Guard Commander, Fifth Coast Guard District.

[FR Doc. 87-13902 Filed 6-17-87; 8:45 am]

BILLING CODE 4910-14-M

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 223

Removal of National Forest System Timber

AGENCY: Forest Service, USDA.

ACTION: Notice; extension of public comment period.

SUMMARY: On May 20, 1987, at 52 FR 18926, the Forest Service published a notice of proposed rulemaking to require additional downpayments from those purchasers who have demonstrated a lack of timely performance on recent timber contracts. The proposal would also establish broader standards for a Contracting Officer to use in determining whether a prospective purchaser is responsible and capable of performing a particular timber sale contract. Many timber sale purchasers have reported that they have not had adequate time to prepare their comments on the proposed rule, because they have been developing operating plans for the forthcoming field season or have been starting their field operations. To permit these purchasers a reasonable opportunity to submit their comments, the public comment period is hereby extended.

DATE: Comments now must be received on or before July 6, 1987.

ADDRESSES: Send written comments to F. Dale Robertson, Chief (2400), Forest Service, USDA, P.O. Box 96090, Washington, DC 20090-6090.

FOR FURTHER INFORMATION CONTACT: David M. Spores, Timber Management Staff (202) 447-4051.

Dated: June 11, 1987.

George M. Leonard,

Associate Chief.

[FR Doc. 87-13941 Filed 6-17-87; 8:45 am]

BILLING CODE 3410-11-M

VETERANS ADMINISTRATION

38 CFR Part 3

Homeless Claimants

AGENCY: Veterans Administration.

ACTION: Proposed regulatory amendment.

SUMMARY: The Veterans Administration (VA) is proposing to amend its regulations to include provision for processing the claims of "homeless" individuals. The amendment is necessary to implement certain

provisions of the Homeless Eligibility Clarification Act. The intended effect of this amendment is to ensure the delivery of benefits to individuals for whom no established mailing address is available.

DATES: Comments must be received on or before July 20, 1987. This change is proposed to be effective October 1, 1986, as provided by law.

ADDRESSES: Interested persons are invited to submit written comments, suggestions, or objections regarding these regulations to Administrator of Veterans Affairs (271A), Veterans Administration, 810 Vermont Avenue, NW., Washington, DC 20420. All written comments received will be available for public inspection only in the Veterans Service Unit, room 132 at the above address, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays) until August 3, 1987.

FOR FURTHER INFORMATION CONTACT: Robert M. White, Chief, Regulations Staff, Compensation and Pension Service, Department of Veterans Benefits, (202) 233–3005.

SUPPLEMENTARY INFORMATION: The Homeless Eligibility Clarification Act (Section 11007, Title XI, Pub. L. 99–570) provides that benefits under laws administered by the VA may not be denied as applicant on the basis that the applicant does not have a mailing address. We propose to implement this provision of law by adding § 3.159. The law also requires the VA to establish a method of delivery of benefits in such cases. We propose to include the provision that, in any case where entitlement to VA benefits is established and the claimant does not have an established mailing address, benefits will be delivered to the Agent Cashier of the regional office which adjudicated the claim. The claimant may obtain from the office of the Agent Cashier any check(s) to which he or she is entitled upon presentation of proper identification. If after 30 days a check is unclaimed, such check will be returned to the Department of the Treasury.

The Administrator hereby certifies that this proposed regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. Therefore, pursuant to 5 U.S.C. 605(b), these regulations are exempt from the initial and final regulatory flexibility analysis requirements of Sections 603 and 604. The reason for this certification is that these regulations impose no regulatory burdens on small entities, and only claimants for VA benefits will be directly affected.

In accordance with Executive Order 12291, Federal Regulation, the VA has determined that this regulatory amendment is non-major for the following reasons:

(1) It will not have a annual effect on the economy of $100 million or more.

(2) It will not cause a major increase in costs or prices.

(3) It will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

(The Catalog of Federal Domestic Assistance program numbers are 64.104, 64.105, 64.109 and 64.110.)

List of Subjects in 38 CFR Part 3

Administrative practice and procedure, Claims, Handicapped, Health care, Pensions, Veterans.

Approved: May 27, 1987.

Thomas K. Turnage,

Administrator.

PART 3—[AMENDED]

38 CFR Part 3, Adjudication, is proposed to be amended by adding § 3.159, as follows:

§3.159 Homeless claimants.

No claim of benefits under laws administered by the Veterans Administration may be denied on the basis that the claimant does not have a mailing address. In any case where entitlement to VA benefits is established and the claimant does not have an established mailing address, benefits will be delivered to the Agent Cashier of the regional office which adjudicated the claim. The claimant may obtain from the office of the Agent Cashier any check(s) to which he or she is entitled upon presentation of proper identification. If after 30 days a check is unclaimed, such check will be returned to the Department of the Treasury. (38 U.S.C. 3003 and 3020)

Cross-Reference: Disappearance of veterans. See § 3.656.

[FR Doc. 87–13852 Filed 6–17–87; 8:45 am]

BILLING CODE 8320-01-M

Notices

Federal Register
Vol. 52, No. 117
Thursday, June 18, 1987

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Forest Service

Rental Fees; Communication Sites in the Southern Region; Request for Public Comment

The Regional Forester of the Southern Region is revising procedures governing determination of rental fees for most communication sites. We welcome your written comments on the following proposed fee schedule.

Comments must be in writing and received on or before August 17, 1987.

Mail comments to John E. Alcock, Regional Forester, Southern Region, USDA Forest Service, 1720 Peachtree Street, Atlanta, Georgia 30367.

The Forest Service administers approximately 720 electronic/communication site authorizations in AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX, VA and Puerto Rico.

The previous fee basis was 0.2 percent of the permit holder's total investment in communication facilities and equipment and 5 percent of the rental income from building tenants and/or equipment users served by the holder.

The Federal Land Policy and Management Act of 1976 (FLPMA) and accompanying regulations require that fees be based upon the fair market value of the rights and privileges authorized. Sound business management principles and market transaction data were used to develop a schedule that complies with the FLPMA and Forest Service policy published in the **Federal Register**, Vol. 50, Page 40574, dated October 4, 1985.

Future fees will be determined by individual appraisal, competitive bidding, or a fee schedule. At the descretion of the Forest Supervisor, fees for some uses will continue to be based on individual appraisals and/or competitive bidding. But for most, fees will be established by reference to a fee schedule. That fee schedule is based on sound business management principles, and as far as practicable, is in accordance with comparable commercial practices for establishing fair market rental fees.

The schedule provides rental fee rates for communication uses based on types of uses for given states or areas. The schedule will be updated and adjusted as necessary every 5 years based on an updated market analysis.

Fees for new uses will be implemented upon approval of the authorization. For existing uses the new fees will be implemented in the billing for calendar year 1988.

FEE SCHEDULE FOR COMMUNICATION USES

State	Forest	Use Classes					
		I	II	III	IV	V	VI
AL	All				300	300	
AR	Ouachita Ozark.	2,400	2,400, 3,000	3,000, 3,000	400, 500	240, 250	1,200, 1,200,
FL	All			2,000			
GA	All	3,000	3,000	2,500	400	300	1,200
KY	All		[1] 3,000,[2] 1,600[3]	2,400,[4] 1,500	400	250	1,200
LA	All				300		
MS	All			600	350		
NC	All	3,000	3,000	2,500	400	300	1,200
SC	All	3,000	3,000	2,500	400	300	1,200
TN	All	3,000	3,000	2,500	400	300	1,200
TX	All			1,800	500		
VA	All	3,000	3,000	2,500	400	300	1,200
PR	All		3,000	4,000	1,300	225	2,000

[1] TV broadcasting stations only.
[2] FM broadcasting stations only, Muzak and FM paging systems, and similar uses.
[3] The largest systems located on NF land e.g. long distance telephone relay system.
[4] All others within this class.

The many communication uses currently authorized throughout the Southern Region are broadly classified in the fee schedule as follows:

Class I: AM radio broadcasting station and similar uses.

CLass II: TV and FM radio broadcasting stations, Muzak and FM paging systems, and similar uses.

Class III: Other Major Uses. This class includes microwave sites, vortac sites and radar sites. These sites require major investments with an extensive tower system.

Class IV: Minor Uses. This class includes VHF and UHF radio systems including, but is not limited to, two-way radios, TV translators and other low band radio systems.

Class V: Subusers. This class includes minor electronic users who rent building space and/or tower space from the primary user. It does not include those uses listed in Classes I through III.

Class VI: Commercial multi-user systems, to include common carriers,

commercial repeaters, pager systems, cellular systems, mobile telephone, etc.

FOR FURTHER INFORMATION CONTACT: George B. Hemingway, (404) 347–2595.

Dated: June 10, 1987.

John E. Alcock,

Regional Forester.

[FR Doc. 87–13879 Filed 6–17–87; 8:45 am]

BILLING CODE 3410–11–M

Soil Conservation Service

Environmental Impact Statement; Bailey Creek Flood Prevention RC&D Measure, Connecticut

AGENCY: Soil Conservation Service, USDA.

ACTION: Notice of a finding of no significant impact.

SUMMARY: Pursuant to section 102(2)(c) of the National Environmental Policy Act of 1969; the Council on Environmental Quality Guidelines (40 CFR Part 1500); and the Soil Conservation Service Guidelines (7 CFR Part 650); the Soil Conservation Service, U.S. Department of Agriculture, gives notice that an environmental impact statement is not being prepared for the Bailey Creek Flood Prevention RC&D Measure, New Haven County, Madison, Connecticut.

FOR FURTHER INFORMATION CONTACT: Philip H. Christensen, State Conservationist, Soil Conservation Service, 16 Professional Park Road, Storrs, Connecticut 06268–1299, telephone (203) 487–4000.

SUPPLEMENTARY INFORMATION: The environmental assessment of this federally assisted action indicates that the project will not cause significant local, regional, or national impacts on the environment. As a result of these findings, Philip H. Christensen, State Conservationist, has determined that the preparation and review of an environmental impact statement are not needed for this project.

The project concerns a flood prevention RC&D Measure. The planned flood prevention measures include: Minor structural measures (restoring the capacity of a railroad culvert and inlet channel, modifying the culvert inlet to stabilize the railroad embankment and inlet channel, and lowering 240 feet of paved town road); nonstructural floodproofing measures at 10 homes (walls around low openings, earth fill in low areas, subsurface drainage systems and pumps, utility relocations, emergency generators, and foundation reinforcement and waterproofing); and technical assistance.

The Notice of Finding of No Significant Impact (FONSI) has been forwarded to the Environmental Protection Agency and to various federal, state, and local agencies, and interested parties. A limited number of copies of the FONSI are available at the above address to fill single copy requests. Basic data developed during the environmental assessment are on file and may be reviewed by contacting Philip H. Christensen.

No administrative action on implementation of the proposal will be taken until 30 days after the date of publication of this notice in the **Federal Register.**

(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.901—Resource Conservation and Development—and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with state and local officials.)

Dated: June 10, 1987.

Philip H. Christensen,

State Conservationist.

[FR Doc. 87–13880 Filed 6–17–87; 8:45 am]

BILLING CODE 3410–16–M

Environmental Impact Statement; Reynolds Development Flood Prevention RC&D Measure, Mercer County, PA

AGENCY: Soil Conservation Service, USDA.

ACTION: Notice of a finding of no significant impact.

SUMMARY: Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969; the Council on Environmental Quality Guidelines (40 CFR Part 1500); and the Soil Conservation Service Guidelines (7 CFR Part 650); the Soil Conservation Service, U. S. Department of Agriculture, gives notice that an environmental impact statement is not being prepared for the Reynolds Development Flood Prevention RC&D Measure in Mercer County, Pennsylvania.

FOR FURTHER INFORMATION CONTACT: Mr. James H. Olson, State Conservationist, Soil Conservation Service, Fedederal Building, 228 Walnut Street, Harrisburg, Pennsylvania 17108, telephone (717) 782–4453.

SUPPLEMENTARY INFORMATION: The environmental assessment of this federally assisted action indicates that the project will not cause significant local, regional, or national impacts on the environment. As a result of these findings, Mr. James H. Olson, State Conservationist, has determined that the preparation and review of an environmental impact statement are not needed for this project.

The project concerns a plan for flood prevention. The planned works of improvement include lowering and repaving three sections of road, installing underground conduit and an inlet, grading, shaping, and the establishment of vegetation.

Reynolds Development Flood Prevention RC & D Measure, Pennsylvania Notice of a Finding of No Significant Impact.

The Notice of a Finding of No Significant Impact (FONSI) has been forwarded to the Environmental Protection Agency and to various Federal, State and local agencies and interested parties. A limited number of copies of the FONSI are available to fill single copy requests at the above address. Basic data developed during the environmental assessment are on file and may be reviewed by contacting James H. Olson.

No administrative action on implementation of the proposal will be taken until 30 days after the date of this publication in the **Federal Register.**

(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.901—Resource Conservation and Development Program—and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials.)

Dated: June 11, 1987.

James H. Olson,

State Conservationist.

[FR Doc. 87–13881 Filed 6–17–87; 8:45 am]

BILLING CODE 3410–16–M

Environmental Impact Statement, Continental Mine Critical Area Treatment RC&D Measure, Idaho

AGENCY: Soil Conservation Service, USDA.

ACTION: Notice of a finding of no significant impact.

FOR FURTHER INFORMATION CONTACT: Stanley N. Hobson, State Conservationist, Soil conservation Service, 304 North 8th Street, Rm. 345 Boise, Idaho 83702, telephone (208) 334–1601.

Notice

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969; the Council on Environmental Quality Guidelines (40 CFR Part 1500); and the Soil Conservation Service Guidelines (7 CFR Part 650); the Soil Conservation Service, U.S. Department of Agriculture, gives notice that an

environmental impact statement is not being prepared for the Continental Mine Critical Area Treatment RC&D Measure, Boundary County, Idaho.

The environmental assessment of this federally assisted action indicates that the measure will not cause significant local, regional, or national impacts on the environment. As a result of these findings, Stanley N. Hobson, State conservationist, has determined that the preparation and review of an environmental impact statement are not needed for this project.

Continental Mine Critical Area Treatment RC&D Measure will provide treatment to an actively eroding section of old mine tailings at the Continental Mine, located on Continental Mountain in northwest Boundary County, Idaho. Planned treatment to control the severe erosion and sedimentation problem includes grading and shaping of the mine spoil, rock and vegetative armor on the eroding spoil banks and constructing a lined runoff channel over the spoil from the upper mine adit to Blue Joe Creek, a tributary to the Boundary Creek and eventually the Kootenai River.

The Notice of a Finding of No Significant Impact (FONSI) has been forwarded to the Environmental Protection Agency. The basic data developed during the environmental assessment are on file and may be reviewed by contacting Mr. Stanley N. Hobson. the FONSI has been sent to various Federal, State and local agencies, and interested parties. A limited number of copies of the FONSI are available to fill single copy requests at the address on the previous page.

Implementation of the proposal will not be initiated until 30 days after the date of this publication in the **Federal Register.**

(Catalog of Federal Domestic Assistance Program No. 10.901, Resource Conservation and Development Program. Office of Management and Budget Circular A-95 regarding State and local clearinghouse review of Federal and federally assisted programs and projects is applicable)

Dated: June 4, 1987.

Stanley N. Hobson,

State Conservationist.

[FR Doc. 87-13861 Filed 6-17-87; 8:45 am]

BILLING CODE 3410-16-M

COMMISSION ON CIVIL RIGHTS

Delaware Advisory Committee to the United States Commission on Civil Rights; Agenda and Notice of Public Meeting

Notice is hereby given, pursuant to the provisions of the Rules and Regulations of the U.S. Commission on Civil Rights, that a meeting of the Delaware Advisory Committee to the Commission will convene at 1:00 p.m. and adjourn at 4:00 p.m. on July 9, 1987, in the Boggs Federal Courthouse, 844 King Street, Wilmington, Delaware. The purpose of the meeting is to discuss the status of the agency, issues related to services to the minority elderly, civil rights compliance in the State's Grants-in-Aid Program, and plans for the coming year.

Persons desiring additional information, or planning a presentation to the Committee, should contact Committee Member Henry H. Heiman (302/658-1800) or John I. Binkley, Director of the Eastern Regional Division (202/523.5264; TDD 202/376-8117). Hearing impaired pesons who will attend the meeting and require services of a sign language interpreter should contact the Regional Division at least five (5) working days before the schedule date of the meeting.

The meeting will be conducted pursuant to the provisions of the rules and regulations of the Commission.

Dated at Washington, DC, June 9, 1987.

Susan J. Prado,

Acting Staff Director.

[FR Doc. 87-13862 Filed 6-17-87; 8:45 am]

BILLING CODE 6335-01-M

Louisiana Advisory Committee to the United States Commission on Civil Rights; Amendment

Notice is hereby given, pursuant to the provisions of the Rules and Regulations of the U.S. Commission on Civil Rights that a meeting of the Advisory Committee to the Commission originally scheduled for July 10, 1987, at New Orleans, Louisiana (FR Doc. 87-12654 on page 21094), has been cancelled.

Dated at Washington, DC, June 11, 1987.

Susan J. Prado,

Acting Staff Director.

[FR Doc. 87-13863 Filed 6-17-87; 8:45 am]

BILLING CODE 6335-01-M

Ohio Advisory Committee; Public Meeting

Notice is hereby given, pursuant to the provisions of the Rules and Regulations of the U.S. Commission on Civil Rights, that a meeting of the Ohio Advisory Committee to the Commission will convene at 10:00 a.m. and adjourn at 4:00 p.m., on July 9, 1987, at the Holiday Inn-Lakeside, 1111 Lakeside Avenue, Cleveland, Ohio. The purpose of the meeting is to develop program plans and to hold a community forum to obtain information on the status of civil rights in the State.

Persons desiring additional information, or planning a presentation to the Committee, should contact Committee Chairperson, Donald G. Prock, or Melvin Jenkins, Director of the Central Regional Division (816) 374-5253, (TDD 816/374-5009). Hearing impaired persons who will attend the meeting and require the services of a sign language interpreter, should contact the Regional Division at least five (5) working days before the scheduled date of the meeting.

The meeting will be conducted pursuant to the provisions of the rules and regulations of the Commission.

Dated at Washington, DC, June 11, 1987.

Susan J. Prado,

Acting Staff Director.

[FR Doc. 87-13937 Filed 6-17-87; 8:45 am]

BILLING CODE 6335-01-M

Texas Advisory Committee; Public Meeting

Notice is hereby given, pursuant to the provisions of the Rules and Regulations of the U.S. Commission on Civil Rights, that a meeting of the Texas Advisory Committee to the Commission will convene at 1:00 p.m. and adjourn at 4:00 p.m., on July 9, 1987, at The Executive Inn, 3232 West Mockingbird, Dallas, Texas 75235. The purpose of the meeting is to develop program plans and to receive a briefing on the status of the U.S. Commission on Civil Rights and its regional operations.

Persons desiring additional information, or planning a presentation to the Committee, should contact Committee Chairperson, Adolfo P. Canales or Philip Montez, Director of the Western Regional Division (213) 894-3437, (TDD 213/894-0508). Hearing impaired persons who will attend the meeting and require the services of a sign language interpreter, should contact the Regional Office at least five (5) working days before the scheduled date of the meeting.

The meeting will be conducted pursuant to the provisions of the rules and regulations of the Commission.

Dated at Washington, DC, June 12, 1987.

Susan J. Prado,

Acting Staff Director.

[FR Doc. 87-13938 Filed 6-17-87; 8:45 am]

BILLING CODE 6335-01-M

DEPARTMENT OF COMMERCE

International Trade Administration

[C-333-001]

Cotton Sheeting and Sateen From Peru; Final Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Final Results of Countervailing Duty Administrative Review.

SUMMARY: On April 22, 1987, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on cotton sheeting and sateen from Peru. We determine the total bounty or grant for the period January 1, 1984 through December 31, 1984 to be *de minimis*.

EFFECTIVE DATE: June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Al Jemmott or Bernard Carreau, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On April 22, 1987, the Department of Commerce ("the Department") published in the **Federal Register** (52 FR 13270) the preliminary results of its administrative review of the countervailing duty order on cotton sheeting and sateen from Peru (48 FR 4501, February 1, 1983). The Government of Peru requested an administrative review of the order in accordance with 19 CFR 355.10. We published the initiation on May 30, 1986 (51 FR 19580). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act").

Scope of Review

Imports covered by the review are shipments of Peruvian cotton sheeting and sateen consisting of: (1) Plain woven cotton fabric sheeting, not fancy or figured and not napped, made of singles yarn with an average yarn number between 3 and 26, imported in Textile and Apparel Category 313, currently classifiable under items 320.—34 and 320.—77 of the Tariff Schedules of the United States Annotated ("TSUSA"); and (2) 100 percent carded cotton sateen fabrics woven with a satin weave and not napped, imported in Textile and Apparel Category 317, currently classifiable under TSUSA items 320.—50, 320.—93, 321.—50, and 321.—93.

The review covers the period January 1, 1984 through December 31, 1984 and three programs: (1) The Law for the Promotion of Exports of Nontraditional Goods ("the Export Law"); (2) Certificates of Tax Rebate ("CERTEX"); and (3) Nontraditional Export fund ("FENT").

Final Results of Review

We gave interested parties an opportunity to comment on the preliminary results. We received no comments. Based on our analysis, the final results of the review are the same as the preliminary results. We determine the total bounty or grant to be 0.31 percent *ad valorem* for the period of review. The Department considers any rate less than 0.50 percent to be *de minimis*.

The Department will instruct the Customs Service not to assess countervailing duties on shipments of this merchandise exported on or after January 1, 1984 and on or before December 31, 1984.

Further, because of additional import duty exemptions obtained under Article 16 of the Export Law in 1984, the Department will instruct the Customs Service to collect cash deposits of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act, of 0.71 percent of the f.o.b. invoice price on all shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.10.

Dated: June 12, 1987.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 87-13919 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DS-M

[C-333-002]

Cotton Yarn From Peru; Final Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Final Results of Countervailing Duty Administrative Review.

SUMMARY: On April 22, 1987, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on cotton yarn from Peru. We determine the total bounty or grant for the period January 1, 1984 through December 31, 1984 to be 2.39 percent *ad valorem*.

EFFECTIVE DATE: June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Al Jemmott or Bernard Carreau, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On April 22, 1987, the Department of Commerce ("the Department") published in the **Federal Register** (52 FR 13271) the preliminary results of this administrative review of the countervailing duty order on cotton yarn from Peru (48 FR 4508, February 1, 1983). The Government of Peru requested an administrative review of the order in accordance with 19 CFR 355.10. We published the initiation on May 30, 1986 (51 FR 19580). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act").

Scope of Review

Imports covered by the review are shipments of Peruvian cotton yarns currently classifiable under the following item numbers of the Tariff Schedules of the United States: 300.60, 301.01 through 301.60, 301.70, 301.80, 301.82, 301.84, 301.86, 301.88, 301.92, 301.94, 301.96, 301.98, 302.01 through 302.60, 302.70, 302.80, 302.82, 302.84, 302.86, 302.88, 302.92, 302.94, 302.96, and 302.98.

The review covers the period January 1, 1984 through December 31, 1984 and three programs: (1) The Law for the Promotion of Exports of Nontraditional Goods ("the Export Law"); (2) Certificates of Tax Rebate ("CERTEX"); and (3) Nontraditional Export fund ("FENT").

Final Results of Review

We gave interested parties an opportunity to comment on the preliminary results. We received no comments. Based on our analysis, the final results of the review are the same as the preliminary results. We determine the total bounty or grant to be 2.39

percent *ad valorem* for the period of review.

The Department will instruct the Customs Service to assess countervailing duties of 2.39 percent of the f.o.b. invoice price on shipments of this merchandise exported on or after January 1, 1984 and on or before December 31, 1984.

Further, because the benefit from the import duties exonerated under Article 16 of the Export Law does not continue beyond 1984, the Department will instruct the Customs Service to collect cash deposits of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act, of 1.00 percent of the f.o.b. invoice price on all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.10.

Dated: June 12, 1987.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 87-13920 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DS-M

[C-401-056]

Viscose Rayon Staple Fiber From Sweden; Preliminary Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Preliminary Results of Countervailing Duty Administrative Review.

SUMMARY: The Department of Commerce has conducted an administrative review of the countervailing duty order on viscose rayon staple fiber from Sweden. We preliminarily determine the net subsidy to be 5.40 percent *ad valorem* for the period October 1, 1983 through December 31, 1983, 6.76 percent *ad valorem* for the period January 1, 1984 through December 31, 1984, and 6.42 percent *ad valorem* for the period January 1, 1985 through December, 31, 1985. We invite interested parties to comment on these preliminary results.

EFFECTIVE DATE: June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Cynthia Gozigian or Paul McGarr, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On December 4, 1986, the Department of Commerce ("the Department") published in the **Federal Register** (51 FR 43763) the final results of its last administrative review of the countervailing duty order on viscose rayon staple fiber from Sweden (48 FR 50914, November 4, 1983). On September 4, 1986, the petitioner, the U.S. Rayon Producers Committee, requested in accordance with § 355.10 of the Commerce Regulations an administrative review of the order. We published the initiation on June 23, 1986 (51 FR 22843)(. The Department has now conducted this administrative review in accordance with section 751 of the Traiff Act of 1930 ("the Tariff Act").

Scope of Review

The United States has developed a system of tariff classification based on the international harmonized system of Customs nomenclature. Congress is considering legislation to convert the United States to this Harmonized System ("HS") by January 1, 1988. In view of this, we will be providing both the appropriate *Tariff Schedule of the United States Annotated* ("TSUSA") item numbers and the appropriate HS item numbers with our product descriptions on a test basis, pending Congressional approval. As with the TSUSA, the HS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

We are requesting petitioners to include the appropriate HS item number(s) as well as the TSUSA item number(s) in all new petitions filed with the department. A reference copy of the proposed Harmonized System schedule is available for consultation at the Central Records Unit, Room B-099, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Additionally, all Custom offices have reference copies, and petitioners may contact the Import Specialist at their local Customs Office to consult the schedule.

Imports covered by the review are shipments of Swedish regular viscose rayon staple fiber and high-wet modulus ("modal") viscose rayon staple fiber. Such merchandise is currently classifiable under items 309.4320 and 309.4325 of the Tariff Schedules of the United States Annotated. These products are currently classifiable under HS item numbers 55041000—2 and 5504900—2.

The review covers the period October 1, 1983 through December 31, 1985 and three programs. The sole known Swedish producer of the merchandise is Svenska Rayon, AB.

Analysis of Programs

(1) Loans/Grants for Plant Creation

Under three agreements, the Swedish government provided Svenska with interest-free loans for the creation of a modal fiber plant. The agreements provided that the Swedish government would forgive the loans in equal amounts over ten years if Svenska maintained its modal fiber plant capacity for at least ten years. If Svenska did not maintain its modal fiber for ten years, the full amount of the outstanding principal would fall due immediately.

The first agreement, Project 77, was concluded in 1975, and the Swedish government disbursed the funds between 1975 and 1977. The second agreement, Project 81, was concluded in 1978 and the funds disbursed between 1978 and 1981. In February 1979, the Swedish government provided a final interest-free loan to Svenska for pollution control improvements to the modal fiber plant.

Although Svenska modified its modal fiber plant to produce regular fiber as well as modal fiber, it maintained the model production facilities at least through the end of the review period. The Swedish government forgave ten percent of the total disbursements to Svenska under Project 77 in 1978, and each year thereafter through the end of the final year covered by this review, *i.e.*, 1985. Similarly, the Swedish government forgave ten percent of the total disbursements under Project 81 in 1981, and each year thereafter, and ten percent of the environmental loan in 1980, and each year thereafter. If forgiveness continues according to schedule, Svenska's obligation under Project 77 will terminate by 1987, the year in which the Swedish government will forgive the last portion. Likewise, Svenska's obligation under Project 81 will terminate by 1990, and under the environmental loan, by 1989. This means that the life of the interest-free loans under Project 77 and Project 81 is 13 years, and under the environmental loan, 11 years.

We treat these government disbursements as contingent liabilities. When the terms of repayment are

contingent upon the achievement of a goal, we measure the benefit according to the conditions set for that particular program. (*See*, the preliminary results of the last administrative review of this case (51 FR 29145, August 14, 1986).)

We consider the portions actually forgiven to be grants and applied the grant methodology outlined in the Subsidies Appendix to the notice of "Final Affirmative Countervailing Duty Determination" on certain cold-rolled carbon steel flat-rolled products from Argentina (49 FR 18006, April 26, 1984). Because the agreements on Project 77, Project 81, and the environmental loan were reached in 1975, 1978, and 1979, respectively, we used as discount rates the national average corporate bond rates in Sweden (obtained from the *Monthly Digest of Swedish Statistics*, a Swedish government publication) for those years. We consider those rates to be the best information available because we have no information on Svenska's weighted cost of capital for those years.

We treat the unforgiven portions of this program as interest-feee loans. Because there is uncertainty from year to year over whether the Swedish government will forgive a portion of Svenska's outstanding obligation under this program or whether it will require full payment of the outstanding balance, we consider the balances outstanding during the review period to be short-term loans and expense the benefits in the year of receipt. To measure the benefit, we used a short-term commercial interest benchmark. We calculated the difference between the interest Svenska paid (*i.e.*, zero) on the outstanding balances (*i.e.*, the unforgiven portions) during the review period and the interest Svenska would have paid on a comparable short-term commercial loan for the same period. We used as a benchmark rate the national average short-term interest rate in Sweden, published in the Sveriges Riksbank's (the Swedish central bank) *Statistical Yearbook*.

On this basis, we preliminarily determine the benefit from both the grant and loan portions of this program to be 3.27 percent *ad valorem* for the period October 1, 1983 through December 31, 1983, 4.01, percent *ad valorem* for the period January 1, 1984 through December 31, 1984, and 3.94 percent *ad valorem* for the period January 1, 1985 through December 31, 1985.

(2) Elderly Employment Compensation Program

The Swedish government provides a subsidy to certain companies within the textile and clothing industries through a special employment contribution for older workers. This program provides compensation to a company based upon the number of hours worked by employees over 50 years of age. A company participating in the program must agree not to dismiss or release redundant employees of any age for any reason other than normal attrition. Payments are calculated on the basis of 28 kronor per hour for employees over age 50 who are involved in production. The payments may not exceed 15 percent of the company's total labor costs.

Svenska received its last payment under this program in July 1982. In January 1983, the Swedish government excluded the rayon fiber industry, including Svenska, from this program. Using the grant methodology outlined in the Subsidies Appendix, we calculated Svenska's benefit by allocating the 1982 payment over ten years, the average useful life of assets in the rayon fiber industry, according to the "Asset Guideline Classes" of the U.S. Internal Revenue Service. We used Svenska's 1982 weighted cost of capital as a discount rate. We then allocated the benefits occurring in the review period over the value of Svenska's net sales during the review period. On this basis, we preliminarily determine the benefit from this program to be 0.31 percent *ad valorem* for the period October 1, 1983 through December 31, 1983, 0.39 percent *ad valorem* for the period January 1, 1984 through December 31, 1984, and 0.34 percent *ad valorem* for the period January 1, 1985 through December 31, 1985.

(3) Grant for Manpower Reduction and Conditional Loan

The Swedish government concluded an agreement with Svenska in 1980 consisting of two parts: A grant for manpower reduction and a conditional loan to cover operating losses. The grant was intended to compensate the company for maintaining redundant employees longer than collective agreements and employment protection laws warranted, and for retraining employees to work elsewhere within the KF Industri group (the group of firms, including Svenska, owned directly or indirectly by Kooperativa Forbundet). The grant was paid through the National Labor Market Board in two installments, one in December 1980, and the other in July 1981.

Svenska received no new manpower production grants during the period 1983 through 1985. Using the grant methodology from the Subsidies Appendix, we allocated each grant over ten years. We used as a discount rate the national average corporate bond rate in Sweden for 1980, the year in which the agreement was reached, because we have no information on Svenska's weighted cost of capital for that year. We then allocated the benefits occurring in the review period over the value of Svenska's net sales during the review period. On this basis, we preliminarily determine the benefit from this grant to be 0.38 percent *ad valorem* for the period October 1, 1983 through December 31, 1983, 0.46 percent *ad valorem* for the period January 1, 1984 through December 31, 1984, and 0.40 percent *ad valorem* for the period January 1, 1985 through December 31, 1985.

For the conditional loan part of the 1980 agreement, the terms (including the length) and conditions depended on the company's profit levels. The loan bears an interest rate of 10 percent per annum. If Svenska does not make a high enough profit (as determined by a confidential formula concluded between the Swedish government and Svenska), the Swedish government may forgive portions of the outstanding principal and interest. If Svenska attains a certain level of profit, it must repay a certain portion of the profit, including interest. The maximum duration of the conditional loan is 12 years.

The National Economic Defense Board disbursed the loan in three installments, one in December 1980, one in January 1981, and one in February 1982. Since Svenska did not reach a high enough profit in any year between 1983 and 1985 (as determined by the confidential formula), it has not made any repayments on this loan as of the end of the review period. According to the confidential formula, the Swedish government forgave the yearly repayment of the loan in 1983, 1984, and 1985. Using the same methodology described for the plant creation loans/grants, we treated the amounts forgiven in 1983, 1984, and 1985 as grants (allocated over the remaining life of the loan, *i.e.*, nine, eight, and seven years, respectively) and the unforgiven portions as short-term loans on which interest would have been paid during the review period. We applied the same discount rate used for the manpower reduction grant and the same short-term benchmark rates used for the plant creation loans. On this basis, we preliminarily determine the benefit from the conditional loan to be 1.44 percent *ad valorem* for the period October 1, 1983 through December 31, 1983, 1.90 percent *ad valorem* for the period January 1, 1984 through December 31,

1984, and 1.74 percent *ad valorem* for the period January 1, 1985 through December 31, 1985.

Preliminary Results of Review

As a result of the review, we preliminarily determine the net subsidy to be 5.40 percent *ad valorem* for the period October 1, 1983 through December 1, 1983, 6.76 percent *ad valorem* for the period January 1, 1984 through December 31, 1984, and 6.42 for the period January 1, 1985 through December 31, 1985.

The Department intends to instruct the Customs Service to assess countervailing duties of 5.40 percent of the f.o.b. invoice price of all shipments exported on or after October 1, 1983 and on or before December 31, 1983, 6.76 percent for the period January 1, 1984 through December 31, 1984, and 6.42 percent for the period January 1, 1985 through December 31, 1985.

Further, the Department intends to instruct the Customs service to collect a cash deposit of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act, of 6.42 percent of the f.o.b. invoice price on all shipments of the merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

Interested parties may submit written comments on these preliminary results within 20 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any hearing, if requested, will be held 20 days after the date of publication or the last workday preceding. Any request for an administrative protective order must be made no later than 5 days after the date of publication. The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any such written comments or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.10 of the Commerce Regulations (19 CFR 355.10).

Dated: June 12, 1987.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 87-13921 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DS-M

[C-357-002]

Wool From Argentina; Final Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Final Results of Countervailing Duty Administrative Review.

SUMMARY: On February 26, 1987, the Department published the preliminary results of its administrative review of the countervailing duty order on wool from Argentina. We determine the bounty or grant for the period January 1, 1985 through December 31, 1985 to be 6.23 percent *ad valorem*.

EFFECTIVE DATE: June 18, 1987.

FOR FURTHER INFORMATION CONTACT: Sylvia Chadwick or Bernard Carreau, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377-2786.

SUPPLEMENTARY INFORMATION:

Background

On February 26, 1987, the Department of Commerce ("the Department") published in the **Federal Register** (52 FR 5807) the preliminary results of its administrative review of the countervailing duty order on wool from Argentina (48 FR 14423; April 4, 1983). On April 5, 1986, an importer, C. Dana Draper Company, requested in accordance with 19 CFR 355.10 an administrative review of the order. We published the initiation on May 20, 1986 (51 FR 18475). The Department has not conducted this administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act").

Scope of Review

Imports covered by the review are shipments of Argentine wool, currently classifiable under items 306.3152, 306.3172, 306.3253, 306.3273, 306.3354, and 306.3374 of the Tariff Schedules of the United States Annotated.

The review covers the period January 1, 1985 through December 31, 1985 and six programs: (1) Incentives for exports from southern ports; (2) the reembolso, a cash rebate of taxes; (3) preferential pre-export financing; (4) multiple exchange rates; (5) government assistance to wool growers in Patagonia; and (6) financial reorganization aids.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received written comments from the Argentine government, the Argentine Wool Federation ("the Federation"), and four importers: Draper; Burlington Industries Wool Company; Hart, Incorporated; and Prouvost, Lefebvre and Company, Inc.

Comment 1: The Argentine government, the Federation, and the importers argue that the additional reembolso for exports shipped from southern ports is not a countervailable subsidy because wool exporters pay export taxes and duties in excess of the additional reembolso received. If the Department continues to consider this program countervailable, it should treat the export taxes and duties as an offset to the additional reembolso because: (1) The exporters are required to pay export taxes and duties before they receive the additional reembolso; (2) export taxes and duties levied on wool exceed the additional reembolso received; and (3) the value of the reembolso is diminished by the deferred receipt of the additional reembolso. They further claim that both the additional reembolso and the export taxes and duties programs are related because both are governed by Law 22.415, and both are administered by the Argentine Treasury Department.

Department's position: We disagree. The additional reembolso provides a payment to exporters who ship from the ports south of the Rio Colorado. Section 771(5) of the Tariff Act provides that the term "subsidy" has the same meaning as the term "bounty or grant" as that term is used in section 303 of the Tariff Act, and includes, but is not limited to, any export subsidy described in the Illustrative List of Export Subsidies annexed to the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade. Item (a) of the Illustrative List defines as an export subsidy "the provision by governments of direct subsidies to a firm or an industry contingent upon export performance." The statute and the Illustrative List allow payments upon export only under certain narrowly defined circumstances, such as payments intended to rebate indirect taxes on physically incorporated inputs, payments intended to rebate final stage taxes, and payments related to duty drawback. Since the additional reembolso is in no way linked to any of these types of payments and is a direct payment that is contingent upon export performance, this program confers a benefit which constitutes an export subsidy within the meaning of the countervailing duty law.

Section 771(6) of the Tariff Act identifies an offset as: (1) Any

application fee, deposit, or similar payment paid in order to qualify for, or to receive, the benefit of the subsidy; (2) any loss in the value of the subsidy resulting from its deferred receipt, if the deferral is mandated by Government order; and (3) export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received. There is no connection between the reembolso program for exports from southern ports and export taxes and duties. The export taxes and duties and the additional reembolso programs were enacted under separate laws. There is no provision in either law that requires a payment be made in order to receive the additional reembolso, that mandates the deferred receipt of the additional reembolso, or that specifically provides that the additional reembolso offset the subsidy received. Law 22.415 codified the Argentine customs regulations; it did not establish or modify prior legislation on either the export taxes and duties or the additional reembolso. Therefore, the term "offset," as used in section 771(6), does not apply.

Comment 2: The Argentine government and the Federation claim that only 50 percent of total wool production could possibly be eligible for the additional reembolso because (a) only wool produced or processed in Patagonia can receive the additional reembolso, and (b) only 50 percent of all wool is produced or processed in Patagonia. Since the rate established for Madryn and San Antonio, the only southern ports from which wool was exported to the United States, is 7 percent, the maximum possible countervailable subsidy is 50 percent of 7 percent, or 3.5 percent.

Department's position: We disagree. Wool exporters must meet two conditions in order to receive the additional reembolso: (1) The wool must be shipped from the ports south of the Rio Colorado, and (2) the wool must have been produced or processed in the regions south of the Rio Colorado. Even if it is true that only 50 percent of all wool is produced or processed in Patagonia, we have no information on where the wool that is exported to the United States is produced or processed. We have assumed, as the best information available, that all wool exported to the United States from southern ports was produced or processed in the regions south of the Rio Colorado. The Federation's own statistics show that 89 percent of total wool exports to the United States during the period of review were shipped from southern ports. Therefore, the net subsidy from this program is 89 percent of 7 percent, or 6.23 percent.

Comment 3: The Argentine government, the Federation and the importers object to the Department's use of the simple average of all additional reembolso rates as the best information available to calculate the benefit. Such a calculation overstates the benefit because it includes high additional reembolso rates for ports from which no wool was exported to the United States during the review period. They submitted information, gathered by the Federation, listing total wool exports to the United States by company and by port during the period of review. These statistics show that the only southern ports from which wool was exported to the United States during the review period were Madryn and San Antonio, both of which provided an additional reembolso of only 7 percent.

Department's position: Because the Argentine government did not respond to our questionnaire, we preliminarily used as best information the simple average of the rates established by Law 23.018 for all southern ports. We now find the Federation's statistics, published in the "Exportacion de Lanas y sus Manufacturas" and the "Boletin de Informaciones Laneras," Argentine trade publications for the wool industry, to be the best information available. The total of these statistics, which the Argentine government accepts as official, correlates to our import figures. We have revised our calculations accordingly. We determine the benefit from the additional reembolso to be 6.23 percent *ad valorem* during the period of review.

Comment 4: Draper questions the legality of imposing countervailing duties retroactively, particularly when based on old data.

Department's position: Section 751(a)(1) of the Tariff Act provides for review of countervailing duty orders to determine the amount of any net subsidy to be assessed. In *Ambassador Division of Florsheim Shoe* v. *United States*, 748 F.2d 1560 (Fed. Cir. 1984), the Court of Appeals for the Federal Circuit ruled that the Department has the authority to assess duties retroactively based on section 751 reviews. We base our assessment rate on data from the period of review. *See also*, the final results of countervailing duty administrative review on non-rubber footwear from Brazil (52 FR 843, January 9, 1987).

Final Results of Review

After considering all the comments received, we determine the total bounty or grant to be 6.23 percent *ad valorem* for the period of review. The Department will instruct the Customs Service to assess countervailing duties of 6.23 percent of the f.o.b. invoice price on any shipments of this merchandise exported on or after January 1, 1985 and on or before December 31, 1985.

The Department will instruct the Customs Service to collect cash deposits of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act, of 6.23 percent of the f.o.b. invoice price on all shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.10 of the Commerce Regulations (19 CFR 355.10).

Dated: June 12, 1987.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 87-13918 Filed 6-17-87; 8:45 am]

BILLING CODE 3510-DS-M

Materials Technical Advisory Committee; Partially Closed Meeting

SUMMARY: The Materials Technical Advisory Committee was initially established on April 23, 1986, in accordance with the Export Administration Act.

Time and Place: July 17, 1987 at 9:30 a.m., Herbert C. Hoover Building, Room 6802, 14th and Constitution Avenue, NW., Washington, DC

Agenda: General Session

1. Opening Remarks by the Commerce Representative.
2. Introduction of Members and Public Attendees.
3. Introduction of Commerce Representatives.
4. Remarks by the Deputy Assistant Secretary for Export Administration.
5. Remarks by the Director, Office of Technology & Policy Analysis.
6. Presentation of Papers or Comments by the Public.
7. A Brief Statement by Members Regarding their Present Occupations and Materials Background.
8. Discussion of Items to be Covered on the CCL by the TAC.
9. Election of Chairman.

Executive Session

10. Discussion of matters properly classified under Executive Order 12356, dealing with the U.S. and COCOM control program and strategic criteria related thereto.

Public Participation: The General Session of the meeting will be open to the public and a limited number of seats will be available. To the extent time permits, members of the public may present oral statements to the Committee. Written statements may be submitted at any time before or after the meeting.

SUPPLEMENTARY INFORMATION: The Assistant Secretary for Administration, with the concurrence of the delegate of the General Counsel, formally determined on May 13, 1986, pursuant to section 10(d) of the Federal Advisory Committee Act, as amended by section 5(c) of the Government in the Sunshine Act, Pub. L. 94–409, that the matters to be discussed in the Executive Session should be exempt from the provisions of the Federal Advisory Committee Act relating to open meetings and public participation therein, because the Executive Session will be concerned with matters listed in 5 U.S.C. 552b(c)(1) and are properly classified under Executive Order 12356.

A copy of the Notice of Determination to close meetings or portions of meetings of the Committee is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 6628, U.S. Department of Commerce, telephone: 202–377–4217. For further information or copies of the minutes call Ruth D. Fitts, 202–377–2583.

Dated: June 15, 1987.

Margaret A. Cornejo,

Director, Technical Support Staff, Office of Technology and Policy.

[FR Doc. 87-13922 Filed 6–17–87; 8:45 am]

BILLING CODE 3510-DT-M

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Requesting Public Comment on Bilateral Consultations With the Government of Costa Rica on Category 347/348

June 12, 1987.

The Chairman of the Committee for the Implementation of Textile Agreements (CITA), under the authority contained in E.O. 11651 of March 3, 1972, as amended, has issued the directive published below to the Commissioner of Customs to be effective on June 19, 1987. For further information contact Janet Heinzen, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 377–4212. For information on the quota status of this limit, please refer to the Quota Status Reports which are posted on the bulletin boards of each Customs port. For information on embargoes and quota re-openings, please call (202) 377–3715. For information on categories on which consultations have been requested call (202) 377–3740.

Background

On May 29, 1987, the Government of the United States requested consultations with the Government of Costa Rica with respect to cotton textile products in Category 347/348 (cotton trousers, slacks and shorts). This request was made on the basis of the agreement between the Governments of the United States and Costa Rica of February 7 and 8, 1984 relating to trade in cotton, wool and man-made fiber textile products. The agreement provides for consultations when imports, due to market disruption, or the threat thereof, threaten to impede the orderly development of trade between the two countries.

A summary market statement for this category follows this notice.

A description of the textile categories in terms of T.S.U.S.A. numbers was published in the **Federal Register** on December 13, 1982 (47 FR 55709), as amended on April 7, 1983 (48 FR 15175), May 3, 1983 (48 FR 19924), December 14, 1983, (48 FR 55607), December 30, 1983 (48 FR 57584), April 4, 1984 (49 FR 13397), June 28, 1984 (49 FR 26622), July 16, 1984 (49 FR 28754), November 9, 1984 (49 FR 44782), July 14, 1986 (51 FR 25386), July 29, 1986 (51 FR 27068) and in Statistical Headnote 5, Schedule 3 of the TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1987).

Anyone wishing to comment or provide data or information regarding the treatment of Category 347/348 under the agreement with the Government of Costa Rica, or on any other aspect thereof, or to comment on domestic production or availability of textile products included in the category, is invited to submit such comments or information in ten copies to Mr. Ronald I. Levin, Acting Chairman, Committee for the Implementation of Textile Agreements, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230. Because the exact timing of the consultations is not yet certain, comments should be submitted promptly. Comments or information submitted in response to this notice will be available for public inspection in the Office of Textiles and Apparel, Room 3100, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC, and may be obtained upon request.

Further comment may be invited regarding particular comments or information received from the public which the Committee for the Implementation of Textile Agreements considers appropriate for further consideration.

The solicitation of comments regarding any aspect of the agreement or the implementation thereof is not a waiver in any respect of the exemption contained in 5 U.S.C. 553(a)(1) relating to matters which constitute "a foreign affairs function of the United States."

The Government of the United States has decided, pending a mutually satisfactory solution, to control imports in Category 347/348 exported during the ninety-day consultation period which began on May 29, 1987 and extends through August 26, 1987, at the prescribed limit of 240,836 dozen.

According to the terms of the bilateral agreement, if no mutually satisfactory solution is reached during consultations, the United States may establish a prorated specific limit for the period following the ninety-day consultation period (August 27, 1987–December 31, 1987) of 287,307 dozen.

In the event the limit established for the ninety-day period is exceeded, such excess amount, if allowed to enter, may be charged to the limit established during the subsequent restraint period.

The United States remains committed to finding a solution concerning this category. Should such a solution be reached in consultations with the Government of Costa Rica, further notice will be published in the **Federal Register.**

Arthur Garel,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Costa Rica—Market Statement

Category 347/348—Cotton Trousers, Slacks and Shorts

May 1987.

Summary and Conclusions

U.S. imports of Category 347/348 from Costa Rica were 688,104 dozen during the year ending February 1987, over two times the 294,989 dozen imported a year earlier. During 1986, imports of Category 347/348 from Costa Rica doubled, reaching 599,668 dozen compared to 256,073 dozen imported during 1985.

The market for Category 347/348 has been disrupted by imports. The sharp and substantial increase in imports from Costa Rica has contributed to this disruption.

U.S. Production and Market Share

The 1982–83 average U.S. production level of cotton trousers, slacks and shorts was 39,759 thousand dozen. The 1984–85 average production level was 40,706 thousand dozen, two percent above the 1982–83 average level. Comparison of government cuttings [1] data for 1986 and 1985 indicate that for 1986, trouser production will be down three percent. The domestic manufacturers' share of this market declined from an average 72 percent share during 1982–83 to an average 67 percent share during 1984–85. A further erosion of U.S. market share is expected in 1986, to around 62 percent.

U.S. Imports and Import Penetration

U.S. imports averaged 15,605 thousand dozen annually during 1982–83 with an average import-to-production ratio of 39 percent. Imports increased 27 percent to an average level of 19,788 thousand dozen during 1984–85. The import-to-production ratio increased to an average 49 percent during this period. Assuming that 1986 U.S. Category 347/348 production reaches the 1984–85 average level the import-to-production ratio will increase to 63 percent.

Duty Paid Value and U.S. Producers' Price

Approximately 86 percent of Category 347/348 imports from Costa Rica during the year ending February 1987 entered under TSUSA numbers 381.6210—men's and boys' cotton woven shorts, not ornamented; 381.6240—men's cotton woven trousers and slacks except those of denim or corduroy, not ornamented; 384.4724 (formerly a part of 384.4725)—women's and girls' cotton woven shorts, not ornamented; and 384.4765—women's cotton woven trousers and slacks except those of denim, corduroy or velveteen, not ornamented. These garments entered the U.S. at duty-paid landed values below U.S. producers' prices for comparable garments.

COMMITTEE FOR THE IMPEMENTATION OF TEXTILE AGREEMENTS

June 12, 1987.

Commissioner of Customs,
Department of the Treasury, Washington, DC 20229.

Dear Mr. Commissioner: Under the terms of Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854), and the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, as further extended on July 31, 1986; pursuant to the Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement of February 7 and 8, 1984 between the Governments of the United States and Costa Rica; and in accordance with the provisions of Executive Order 11651 of March 3, 1972, as amended, you are directed to prohibit, effective on June 19, 1987, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textile products in Category 347/348, produced or manufactured in Costa Rica and exported during the ninety-day consultation period which began on May 29, 1987 and extends through August 26, 1987, in excess of 240,836 dozen.[1]

Textile products in Category 347/348 which have been exported to the United States prior to May 29, 1987 shall not be subject to this directive.

Textile products in Category 347/348 which have been released from the custody of the U.S. Customs Service under the provisions of 19 U.S.C. 1448(b) or 1484(a)(1)(A) prior to the effective date of this directive shall not be denied entry under this directive.

A description of the textile categories in terms of T.S.U.S.A. numbers was published in the **Federal Register** on December 13, 1982 (47 FR 55709), as amended on April 7, 1983 (48 FR 15175), May 3, 1983 (48 FR 19924), December 14, 1983, (48 FR 55607), December 30, 1983 (48 FR 57584), April 4, 1984 (49 FR 13397), June 28, 1984 (49 FR 26622), July 16, 1984 (49 FR 28754), November 9, 1984 (49 FR 44782), July 14, 1986 (51 FR 25386), July 29, 1986 (51 FR 27068) and in Statistical Headnote 5, Schedule 3 of the TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1987).

In carrying out the above directions, the Commissioner of Customs should construe entry into the United States for consumption to include entry for consumption into the Commonwealth of Puerto Rico.

The Committee for the Implementation of Textile Agreements has determined that this action falls within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,

Arthur Garel,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 87–13868 Filed 6–17–87; 8:45 am]

BILLING CODE 3510–DR–M

[1] U.S. cuttings data are for cotton, wool and man-made fiber trousers and slacks.

[1] The limits has not been adjusted to account for any imports exported after May 28, 1987.

DEPARTMENT OF DEFENSE

Department of the Navy

Naval Research Advisory Committee; Closed Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (5 U.S.C. app.), notice is hereby given that the Naval Research Advisory Committee Panel on Laser Eye Protection will meet on June 30, 1987. The meeting will be held at the Pentagon, Washington, DC. The meeting will commence at 8:00 A.M. and terminate at 4:30 P.M. on June 30, 1987. All sessions of the meeting will be closed to the public.

The purpose of the meeting is to review the current Navy and DOD R&D laser eye protection programs. The agenda will include technical briefings and discussions addressing the current and projected threat, cockpit compatibility, operational requirements and organizational responsibilities. These briefings and discussions will contain classified information that is specifically authorized under criteria established by Executive order to be kept secret in the interest of national defense and is in fact properly classified pursuant to such executive order. The classified and nonclassified matters to be discussed are so inextricably intertwined as to preclude opening any portion of the meeting. Accordingly, the Secretary of the Navy has determined in writing that the public interest requires that all sessions of the meeting be closed to the public because they will be concerned with matters listed in section 552b(c)(1) of title 5, United States Code.

For further information concerning this meeting contact: Commander T. C. Fritz, U.S. Navy, Office of Naval Research (Code 100N), 800 North Quincy Street, Arlington, VA 22217–5000, Telephone number (202) 696–4870.

Dated: June 15, 1987.

Jane M. Virga,

Lieutenant, JAGC, U.S. Navy Reserve, Federal Register Liaison Officer.

[FR Doc. 87–13898 Filed 6–17–87; 8:45 am]

BILLING CODE 3810–AE–M

DEPARTMENT OF EDUCATION

Office of Vocational and Adult Education

Intent To Repay to the Minnesota State Council on Vocational Technical Education Funds Recovered as a Result of a Final Audit Determination

AGENCY: Department of Education.

ACTION: Intent to award grantback funds.

SUMMARY: Under section 456 of the General Education Provisions Act (GEPA), the Secretary of Education (Secretary) intends to repay to the Minnesota State Council on Vocational Technical Education (State Council) an amount equal to 75 percent of funds recovered by the Department of Education as a result of a final audit determination. This notice describes the State Council's plans for the use of repaid funds and the terms and conditions under which the Secretary intends to make these funds available and invites comments on the proposed grantback.

DATE: All written comments should be received on or before July 20, 1987.

ADDRESS: All written comments should be submitted to Dr. Thomas L. Johns, Acting Director, Policy Analysis Staff, Office of Vocational and Adult Education, U.S. Department of

Education, (Room 620, Reporters Building), 400 Maryland Avenue SW., Washington, DC 20202–5609.

FOR FURTHER INFORMATION CONTACT: Dr. Thomas L. Johns, (202) 732–2237.

SUPPLEMENTARY INFORMATION:

A. Background

In March 1985, the Department of Education recovered $4,400 from the State Council in satisfaction of an audit, covering the period from July 1, 1975 to June 30, 1979. The auditors examined the accounting procedures, procurement practices, and system of internal controls to determine the adequacy of the State Council's management policies and decisions affecting costs.

The auditors found that funds awarded under the Vocational Education Act of 1963 (VEA), as amended, 20 U.S.C. 2301 *et seq.* (1976) were not used consistently with the provisions of 45 CFR 100b.107 (1978), in that the Council's records and files did not:

(1) Justify the use of negotiated procurements in the letting of two staff-service contracts;

(2) Support the selection of a particular service firm for both contracts; and

(3) Document the basis for the cost or price negotiated.

Charges for clerical services under these contracts exceeded comparable charges in the area. In addition, certain other costs were unallowable, and certain travel costs were inadequately supported.

B. Authority for Awarding a Grantback

Section 456(a) of GEPA, 20 U.S.C. 1234e(a), provides that whenever the Secretary has recovered funds following a final audit determination with respect to an applicable program, the Secretary may consider those funds to be additional funds available for the program and may arrange to repay to the State agency affected by that determination an amount not to exceed 75 percent of the recovered funds. The Secretary may enter into this so-called "grantback" arrangement if the Secretary determines that the—

(1) Practices and procedures of the State Council that resulted in the audit determination have been corrected, and that the State Council is, in all other respects, in compliance with the requirements of the applicable program;

(2) State Council has submitted to the Secretary a plan for the use of the funds to be awarded under the grantback arrangement which meets the requirements of the program, and, to the extent possible, benefits the population that was affected by the failure to comply or by the misexpenditures that resulted in the audit exception; and

(3) Use of the funds to be awarded under the grantback arrangement in accordance with the State Council's plan would serve to achieve the purposes of the progam under which funds were originally granted.

C. Plan for Use of Funds Awarded Under a Grantback Agreement

Pursuant to section 456(a)(2) of GEPA, the State Council has applied for a grantback of $3,300 and has submitted a plan to use the grantback funds consistently with section 112(a)(9) of the Carl D. Perkins Vocational Education Act (Perkins Act), 20 U.S.C. 2301 *et seq.* (1984). The audit findings against the State Council resulted from improper expenditures of VEA funds. However, since the Perkins Act has superseded the VEA, the State council's proposal reflects the requirements of the Perkins Act, which–like the VEA–provides for a State council on vocational education.

The State Council proposes to use grantback funds to:

Evaluate, and make appropriate recommendations concerning, the vocational education program delivery systems assisted under the Perkins Act, and under the Job Training Partnership Act, in terms of their adequacy and effectiveness in achieving the purposes of these two statutes. The State Council's plan is available on request from the Department of Education contact person lsited above.

D. The Secretary's Determination

The Secretary has carefully reviewed the plan and other information submitted by the State Council. Based upon that review, the Secretary has determined that the conditions under section 456 of GEPA have been met.

These determinations are based upon the best information available to the Secretary at the present time. If this information is not accurate or complete, the Secretary is not precluded from taking appropriate administrative action.

E. Notice of the Secretary's Intent to Enter Into a Grantback Arrangement

Section 456(d) of GEPA requires that, at least thirty days before entering into an arrangement to award funds under a grantback, the Secretary must publish in the **Federal Register** a notice of intent to do so, and the terms and conditions under which the payment will be made.

In accordance with section 456(d) of GEPA, notice is hereby given that the Secretary intends to make funds available to the Minnesota State Council on Vocational Technical Education under a grantback arrangement. The grantback award would be in the amount of $3,300, which is 75 percent–the maximum percentage authorized by the statute–of the funds recovered by the Department as a result of the audit.

F. Terms and Conditions Under Which Payments Under a Grantback Arrangement Will Be Made

The State Council agrees to comply with the following terms and conditions under which payments under a grantback arrangement would be made:

(1) The funds awarded under the grantback msut be spent in accordance with–

(a) All applicable statutory and regulatory requirements, and

(b) The plan that was submitted in conjunction with the request dated November 18, 1985, as amended on June 26, 1986 and December 12, 1986, and any other amendments to that plan that are approved in advance by the Secretary.

(2) All funds received under the grantback arrangement must be expended not later than September 30, 1988, in accordance with section 456(c) of GEPA and the State Council's plan.

(3) The State Council must, not later than December 30, 1988, submit a report to the Secretary which–

(a) Indicates how the funds awarded under the grantback have been used;

(b) Shows that the funds awarded under the grantback have been liquidated; and

(c) Describes the results and effectiveness of the project for which the funds were spent.

(4) Separate accounting records must be maintained documenting the expenditures of funds awarded under the grantback arrangement.

(Catalog of Federal Domestic Assistance Number 84.048, Basic State Grants for Vocational Education)

Dated: June 9, 1987.

William J. Bennett,

Secretary of Education.

[FR Doc. 87–13907 Filed 6–17–87; 8:45 am]

BILLING CODE 4000–01–M

DEPARTMENT OF ENERGY

Cooperative Agreement; Financial Assistance Award to the New Mexico Institute of Mining and Technology by the Morgantown Energy Technology Center

AGENCY: Morgantown Energy Technology Center, DOE.

ACTION: Notice of restricted eligibility for cooperative agreement award.

SUMMARY: The Department of Energy (DOE), Morgantown Energy Technology Center, in accordance with 10 CFR 600.7(b), gives notice of its plans to award a renewal to the New Mexico Institute of Mining and Technology (NMIMT), Socorro, New Mexico, under existing Cooperative Agreement No. DE-FC21–84MC21136 entitled "Improvement of CO2 Flood Performance." This award renewal is in the amount of $2,178,905 on a 40/60 cost-shared basis for an additional 36 month effort. The total cooperative agreement with inclusion of this renewal is $4,001,675 for a six-year period.

The DOE and NMIMT are currently under agreement for a research project for improvement of carbon dioxide flood performance which has entailed extensive efforts in three important research areas: (1) Phase behavior and fluid property measurements, (2) mixing effects due to pore structure heterogeneity and to the distribution of phases within the pore space, and (3) the use of mobility control methods such as carbon dioxide foams or thickened carbon dioxide. The project has already produced significant advances in knowledge on the use of carbon dioxide for the miscible displacement of light oil, and NMIMT has designed sophisticated research equipment to perform specialized experiments which are an integral part of their capabilities to perform this renewal effort. The original project was awarded as the result of acceptance of an unsolicited proposal offering unique and innovative research approaches, and this renewal is the logical extension of the ongoing work.

Under this renewal award, NMIMT has proposed to continue this project with the research designed to permit more accurate predictions of the outcome of carbon dioxide enhanced oil recovery and to produce information and data needed to improve process performance. The research effort is divided into two areas: (1) Displacement of residual oil with pure and impure carbon dioxide and (2) evaluation and improvement of reservoir flow uniformity. Annual funding is to be cost shared 40 percent by DOE and 60 percent by NMIMT. If successful, this project will progress to field verification and proof-of-concept for improved oil recovery efficiency of the carbon dioxide flooding process.

The DOE has determined that this project is in furtherance of the DOE mission and that it is appropriate to award this cooperative agreement to NMIMT on a restricted eligibility basis.

FOR FURTHER INFORMATION CONTACT: Brenda L. Summers, I–07, U.S. Department of Energy, Morgantown Energy Technology Center, P.O. Box 880, Morgantown, West Virginia 26507–0880, (304)291–4340, Procurement Request No. 21–87MC21136.

Dated: June 9, 1987.

Ronald E. Cone,

Director, Acquisition and Assistance Division, Morgantown Energy Technology Center.

[FR Doc. 87–13928 Filed 6–17–87; 8:45 am]

BILLING CODE 6450–01–M

Economic Regulatory Administration

[ERA Docket No. 87–27–NG]

American Natural Gas Corp.; Application to Import Natural Gas From Canada

AGENCY: Economic Regulatory Administration, DOE.

ACTION: Notice of application for blanket authorization to import natural gas from Canada.

SUMMARY: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) gives notice of receipt on May 21, 1987, of an application filed by American Natural Gas Corporation (American Natural) for blanket authorization to import Canadian natural gas for short-term and spot market sales in the United States. Authorization is requested to import up to 146 Bcf for a two-year term beginning on the date of the first delivery. The gas would be sold on a short-term or spot basis to U.S. purchasers including pipelines, local distribution companies, and commercial and industrial end-users. American Natural would import gas for its own account or act as a broker for U.S. purchasers as well as Canadian suppliers. The specific terms of each import and sale would be negotiated on an individual basis, including price and volumes. American Natural intends to utilize existing pipeline facilities for transportation of the volumes imported. The firm proposes to submit quarterly reports giving details of individual transactions within 30 days following each calendar quarter.

The application is filed with the ERA pursuant to section 3 of the Natural Gas Act and DOE Delegation Order No. 0204–111. Protests, motions to intervene, notices of intervention and written comments are invited.

DATE: Protests, motions to intervene, or notices of intervention, as applicable, and written comments are to be filed no later than July 20, 1987.

FOR FURTHER INFORMATION: Allyson Reilly, Natural Gas Division, Economic Regulatory Administration, Forrestal Building, Room GA–076, 1000 Independence Avenue SW., Washington, DC 20585, (202) 586–9394

Diane Stubbs, Natural Gas and Mineral Leasing, Office of General Counsel, U.S. Department of Energy, Forrestal Building, Room 6E–042, 1000 Independence Avenue SW., Washington, DC 20585, (202) 586–6667

SUPPLEMENTARY INFORMATION: The decision on this application will be made consistent with the DOE's gas import policy guidelines, under which the competitiveness of an import arrangement in the markets served is the primary consideration in determining whether it is in the public interest (49 FR 6684, February 22, 1984). Parties that may oppose this application should comment in their responses on the issue of competitiveness as set forth in the policy guidelines. The applicant asserts that this import arrangement is competitive. Parties opposing the arrangement bear the burden of overcoming this assertion.

Public Comment Procedures

In response to this notice, any person may file a protest, motion to intervene or notice of intervention, as applicable, and written comments. Any person wishing to become a party to the proceeding and to have the written comments considered as the basis for any decision on the application must, however, file a motion to intervene or notice of intervention, as applicable. The filing of a protest with respect to this application will not serve to make the protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considerd in determining the appropriate procedural action to be taken on the application. All protests, motions to intervene, notices of intervention, and written comments must meet the requirements that are specified by the regulations in 10 CFR Part 590. They should be filed with the Natural Gas Division, Office of Fuels Programs, Economic Regulatory Administration, Room GA–076, RG–23, Forrestal Building, 1000 Independence Avenue SW., Washington, DC 20585, (202) 586–9478. They must be filed no later than 4:30 p.m. e.d.t., July 20, 1987.

The Administrator intends to develop a decisional record on the application through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. A

party seeking intervention may request that additional procedures be provided, such as additional written comments, an oral presentation, a conference, or a trial-type hearing. A request to file additional written comments should explain why they are necessary. Any request for an oral presentation should identify the substantial question of fact, law, or policy at issue, show that it is material and relevant to a decision in the proceeding and demonstrate why an oral presentation is needed. Any request for a conference should demonstrate why the conference would materially advance the proceeding. Any request for a trial-type hearing must show that there are factual issues genuinely in dispute that are relevant and material to a decision and that a trial-type hearing is necessary for a full and true disclosure of the facts.

If an additional procedure is scheduled, the ERA will provide notice to all parties. If no party requests additional procedures, a final opinion and order may be issued based on the official record, including the application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

A copy of American Natural's application is available for inspection and coping in the Natural Gas Division Docket Room, GA-076-A at the above address. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, DC, June 11, 1987.

Constance L. Buckley,

Director, Natural Gas Division, Office of Fuels Programs, Economic Regulatory Administration.

[FR Doc. 87-13932 Filed 6-17-87; 8:45 am]

BILLING CODE 6450-01-M

Federal Energy Regulatory Commission

[Docket Nos. ER87-475-000 et al.]

Electric Rate and Corporate Regulation Filings; Commonwealth Edison Co. et al.

June 12, 1987.

Take notice that the following filings have been made with the Commission:

1. Commonwealth Edison Company

[Docket No. ER87-475-000]

Take notice that Commonwealth Edison Company on June 8, 1987, tendered for filing a Letter Agreement executed May 28, 1987 between Commonwealth Edison Company and Wisconsin Public Service Corporation.

The Letter Agreement provides for both parties to make available Economy Energy when economically justified while taking into account the charge for the use of transmission facilities of a third party.

Copies of the filing were served upon Wisconsin Public Service Corporation, Green Bay, Wisconsin, the Illinois Commerce Commission, Springfield, Illinois, and the Public Service Commission of Wisconsin, Madison, Wisconsin.

Comment date: June 29, 1987, in accordance with Standard Paragraph E at the end of this notice.

2. Duke Power Company

[Docket No. ER87-479-000]

Take notice that Duke Power Company (Duke or Company) on June 9, 1987, tendered for filing a revision in Service Schedule C Sales of Power and Energy to its Interconnection Agreement executed December 15, 1983 with Yadkin, Inc., which Agreement was accepted for filing by the Commission on February 24, 1984. Service Schedule C provides for interruptible rates with no demand charge for off-peak sales. Rates under Service Schedule C are updated annually as of July 1. Based on the 12-month period ending April 30, 1987, Duke estimates that the proposed change in rates will decrease annual revenues to Duke from Yadkin by approximately $239,000.

Duke requests an effective date of July 1, 1987.

Copies of this filing were served on the North Carolina Utilities Commission and the South Carolina Public Service Commission.

Comment date: June 29, 1987, in accordance with Standard Paragraph E at the end of this notice.

3. Minnesota Power & Light Company

[Docket No. ER87-476-000]

Take notice that Minnesota Power & Light Company (Minnesota Power) on June 8, 1987, tendered for filing executed contract supplements relating to rates for full requirements electric utility service to the following municipal customers.

a. City of Aitkin, Minnesota
b. City of Grand Rapids, Minnesota
c. City of Keewatin, Minnesota
d. City of Pierz, Minnesota
e. City of Randall, Minnesota
f. City of Two Harbors, Minnesota
g. City of Mountain Iron, Minnesota

Unde the terms and conditions of the executed contract supplements, the terms of such contracts are extended and Minnesota Power will guarantee certain limitations on rate increases during the remaining time of such contracts.

Minnesota Power requests waiver of the Commission's Regulations to the extent necessary to permit the executed agreements to become effective to permit the executed agreements to become effective as specified in the various executed contracts or supplements.

Copies of the executed contracts have been served upon the above-listed cities and the Minnesota Public Utilities Commission.

Comment date: June 29, 1987, in accordance with Standard Paragraph E at the end of this notice.

4. Southern California Edison Company

[Docket No. ER87-477-000]

Take notice that on June 8, 1987, Southern California Edison Company (Edison) tendered for filing, as an initial rate schedule, the following Agreement, which has been executed by Edison and the Imperial Irrigation District, (IID):

Edison—IID Agreement for Emergency Services

Under the terms and conditions of the Agreement, Edison will make available to IID Emergency Service upon request from Edison's resources if Edison, in its sole judgment, determines that it is able to do so. As Edison provided Emergency Service to IID on December 10, 1986, Edison requests waiver of notice requirements, and the assignment of an effective date of December 10, 1986.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the city of Imperial, California.

Comment date: June 29, 1987, in accordance with Standard Paragraph E at the end of this notice.

5. Union Electric Company

[Docket No. ER87-478-000]

Take notice that Union Electric Company, on June 8, 1987, tendered for filing a Letter Agreement executed June 2, 1987, between City of Columbia, Missouri, and Union Electric Company.

Union Electric states the purpose of the Letter Agreement is to revise the rate formula for Transmission Service.

Comment date: June 29, 1987, in accordance with Standard Paragraph E at the end of this notice.

Standard Paragraph

E. Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825

North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before the comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 87-13912 Filed 6-17-87; 8:45 am]

BILLING CODE 6717-01-M

Hydroelectric Application Filed With the Commission

June 16, 1987.

Take notice that the following hydroelectric application has been filed with the Federal Energy Regulatory Commission and is available for public inspection:

a. Type of Application: Transfer of License.

b. Project No: 2804-003.

c. Date Filed: June 1, 1987.

d. Applicant: Maine Hydro-Electric Development and Goose River Hydro, Inc.

e. Name of Project: Goose River.

f. Location: On the Goose River in Waldo County, Maine.

g. Filed Pursuant to: Section 9 of the Federal Power Act 16 U.S.C. 791 (a)-825(r).

h. Contact Person: Mr. Thomas R. Doyle, Pierce, Atwood, Scribner, Allen, Smith & Lancaster, One Monument Square, Portland, Maine 04101, (207) 773-6411.

i. FERC Contact: Cheryl Phillips (202) 376-9821.

j. Comment Date: July 9, 1987.

k. Description of Project: On March 24, 1980, a minor license was issued to the Maine Hydro-Electric Development Corporation to construct, operate and maintain the Goose River Project No. 2804. Maine Hydro-Electric Development corporation intends to sell its interest in the project to the Goose River Hydro, Inc. for that reason, the Maine Hydro-Electric Development and the Goose River Hydro, Inc., filed a request that the project license be transferred to the Goose River Hydro, Inc.

1. This notice also consists of the following standard paragraph: B.

m. Filing and Service of Responsive Documents: Any filing must bear in all captial letters the title "COMMENTS", "PROTEST" or "MOTION TO INTERVENE", as applicable, and the Project Number of this application. Any of the above named documents must be filed by providing the original and the number of copies required by the Commission's regulations to: Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426. An additional copy must be sent to: Fred E. Springer, Acting Director, Office of Hydropower Licensing, Federal Energy Regulatory Commission, Room 203 RB at the above address. A copy of any motion to intervene must also be served upon the representative of the applicants specified herein.

Standard Paragraph

B. *Comments, Protests, or Motions to Intervene*—Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 C.F.R. 385.210, 385.211, 385.214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

Kenneth F. Plumb

Secretary.

[FR Doc. 87-13911 Filed 6-17-87; 8:45 am]

BILLING CODE 6717-01-M

[Project Nos. 10121-001 et al.]

Surrender of Preliminary Permits; Balance One, Inc., et al.

June 12, 1986.

Take notice that the following preliminary permits have been surrendered effective as described in Standard Paragraph I and at the end of this notice.

1. Balance One, Inc.

[Project No. 10121-001]

Take notice that the Balance One, Inc., permittee for the Silk Mill and Circular Dam Project No. 10121 located on the Charles River in Middlesex and Norfolk Counties, Massachusetts has requested that its preliminary permit be terminated. The preliminary permit was issued on April 21, 1987, and would have expired on March 31, 1990. The permittee states that analysis of the Silk Mill and Circular Dam Project did not indicate feasibility for development.

The permittee filed the request on May 11, 1987.

2. Lake Placid Village, Inc.

[Project No. 9670-001]

Take notice that the Lake Placid Village, Inc., permittee for the North Elba Project No. 9670, has requested that the preliminary permit be terminated. The preliminary permit for Project No. 9670 was issued on April 7, 1986, and would have expired on April 30, 1989. The proejct would have been located on the Chubb River, in Essex County, New York.

The permittee filed the request on May 15, 1987.

3. Oglethorpe Power Corporation

[Project No. 8785-002]

Take notice that Oglethorpe Power Corporation, permittee for the proposed Grassy Mountain Pumped Storage Project No. 8785, has requested that its preliminary permit be terminated. The permit was issued on November 25, 1985, and would have expired on October 31, 1988. The project would have been located on Mill Creek, in Murray County, Georgia.

The permittee filed the request on April 30, 1987.

Standard Paragraph

I. The preliminary permit shall remain in effect through the thirtieth day after issuance of this notice unless that day is a Saturday, Sunday or holiday as described in 18 CFR 385.2007 in which case the permit shall remain in effect through the first business day following that day. New applications involving this project site, to the extent provided for under 18 CFR Part 4, may be filed on the next business day.

Kenneth F. Plumb,

Secretary.

[FR Doc. 87-13916 Filed 6-17-87; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. QF87-422-000, et al.]

Small Power Production and Cogeneration Facilities; Qualifying Status; Certificate Applications, etc.; International Paper Co. et al.

June 12, 1987.

Comment date: Thirty days from publication in the **Federal Register**, in accordance with Standard Paragrph E at the end of this notice.

Take notice that the following filings have been made with the Commission.

1. International Paper Company

[Docket No. QF87-422-000]

On May 29, 1987, International Paper Company (Applicant), of 77 West 45th Street, New York, New York submitted for filing an application for certification of a facility as a qualifying cogeneration facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The topping-cycle cogeneration facility will be located at Applicant's Hudson River paper mill in the Village of Corinth, Saratoga County, New York. The facility will consist of a combustion turbine generator and a waste heat recovery steam generator (HRSG). Steam from the HRSG will be utilized by Applicant in the manufacturing process of pulp and paper. The primary energy source will be natural gas. The maximum electric power production capacity of the facility will be 43.5 MW. Construction of the facility is expected to begin after November 1, 1988.

2. Aquidneck Energy Limited Partnership

[Docket No. QF87-451-000]

On May 29, 1987, Aquidneck Energy Limited Partnership (Applicant), of 45 Milk Street, Boston, Massachusetts 02109, submitted for filing an application for certification of a facility as a qualifying cogeneration facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The topping-cycle cogeneration facility will be located in Portsmouth, Rhode Island. The facility will consist of a combustion turbine generating unit, a heat recovery steam generator and an extraction/condensing steam turbine generating unit. Steam produced by the facility will be sold to Pearson Yachts for space heating, and to Kaiser Industries for space heating and plastic injection molding. The net electric power production capacity of the facility will be 27.18 MW. The primary energy source will be natural gas. The facility is scheduled to start operation on November 1, 1989.

3. Northampton Energy Company, Inc.

[Docket No. QF87-452-000]

On May 29, 1987, Northampton Energy Company, Inc. (Applicant), c/o Signal Energy Systems, Inc., Liberty Lane, Hampton, New Hampshire 03842 submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The small power production facility will be located in the City of Northampton, Northampton County, Pennsylvania. The facility will consist of a fluidized bed combustion boiler and an extraction/condensing steam turbine generator. The primary energy source will be anthracite culm. The net electric power production capacity of the facility will be 80,000 KW. The facility is planned to be in operations in December, 1990.

4. Gabriel Mills Energy Company

[Docket No. QF87-302-000]

On March 5, 1987, Gabriel Mills Energy Company (Applicant) of 711 West 38th Street, Suite D-2, Austin, Texas 78705 submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

In accordance with the Commission's final rule on the interpretation of "waste" natural gas (Order No. 471, Docket No. RM87-18-000, 39 FERC ¶61,169 (1987)) the application for certification is being re-noticed to identify more accurately the proposed facility's primary energy source in the form of "waste" natural gas, to notify potential buyers that may have been overloked by the Applicant of the opportunity to purchae the gas, and to ensure that potential buyers that were notified were not willing to purchase the gas under reasonable terms and conditions.

The small power production facilty will be located approximately two miles west of Andice, Williamson County, Texas. The facility will consist of several 200 kW to 1,000 kW reciprocating engine-generator units. Applicant states that the primary energy source of the facility will be "waste" natural gas. The electric power production capacity of the facility will be 2 megawatts.

Supplemental "Waste" Natural Gas Information

Applicant states that the primary energy source of the facility will be "waste" natural gas produced from the Kirby Box Number 1 well located approximately two miles west of Andice, Williamson County, Texas. The natural gas at the well head has a heat content of 828 BTU/SCF and is chiefly composed of methane—68.09%, ethane—3.96%, propane—1.69%, butanes, pentanes, hexanes—1.27%, carbon dioxide—17.39%, and nitrogen—7.60%. The well is currently producing 400 MCF/day of natural gas and 216 gallons/day of natural gas liquids. Any person interested in purchasing this gas is encouraged to file a response with the Commission expressing such desire.

5. Island Creek Corporation

[Docket No. QF87-10-000]

On October 7, 1986, Island Creek Corporation (Applicant), of 2355 Harrodsburg Road, P. O. Box 11430, Lexington, Kentucky 40575 submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

In accordance with the Commission's final rule on the interpretation of "waste" natural gas (Order No. 471, Docket No. RM87-18-000, 39 FERC ¶ 61,169 (1987)) the application for certification is being re-noticed to identify more accurately the proposed facility's primary energy source in the form of "waste" natural gas, to notify potential buyers that may have been overlooked by the Applicant of the opportunity to purchase the gas, and to ensure that potential buyers that were notified were not willing to purchase the gas under reasonable terms and conditions.

The small power production facility will be located at the Applicant's Pocahontas No. 3 mine near the Town of Vansant, in Buchanan County, Virginia. The facility will consist of four 4.0 MW mobile combustion turbine generator units. Applicant states that the primary energy source of the facility will be "waste" in the form of methane gas produced from the Pocahontas No. 3 coal seam and coal mine. The net electric power production capacity of the facility will be 15.9 megawatts.

Supplemental "Waste" Natural Gas Information

The methane gas produced from the Pocahontas No. 3 coal seam and coal mine is classified as natural gas pursuant to § 292.202(k) of the Commission's regulations and Section 107(c)(3) of the Natural Gas Policy Act. Applicant asserts that the gas is a "waste" material. The natural gas will be produced by three methods from the coal seam and coal mine. Natural gas will be removed from the coal mine through mine ventilation air. The mine ventilation air which will contain up to 1% natural (methane) gas will remove 3 to 9 MMCF/day of natural gas from the mine. Natural gas will be produced by vacuuming from vertical ventilation

holes draining gob/abandoned areas in the mine. The vertical ventilation holes will produce 1 to 8 MMCF/day of natural gas with a composition of 30 to 95% methane gas. The quality (methane gas content) of the vertical ventilation hole produced natural gas will decrease with production time and volume. Natural gas will also be produced directly from the coal seam. Horizontal holes will be drilled into the coal seam which has been developed into longwall panels for longwall mining. The horizontal holes will be connected with pipe to a bore hole drilled from the surface. The bore hole(s) will produce 0.1 to 0.6 MMCF/day of pipeline quality or near pipeline quality gas of 90 to 95% methane gas. Any person interested in purchasing this gas is encouraged to file a response with the Commission expressing such desire.

6. Skagit County, Washington

[Docket No. QF87-453-000]

On June 1, 1987 Skagit County, Washington (Applicant), of County Administration Building, Second and Kincaid Streets, Mount Vernon, Washington 98273 submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The small power production facility will be located in Mount Vernon, Washington. The facility will consist of two (2) 89-tpd rotary kiln incinerators, two (2) waste heat steam generators and one (1) steam turbine generator. The net electric power production capacity will be 1.5 megawatts. The primary energy source will be biomass in the form of municipal solid waste. Natural gas will be used for start-up only, however, such fossil fuel use will not exceed 25% of the total energy input of the facility during any calendar period. Construction of this facility began May 1, 1987.

7. StarMark Energy Systems, Inc.

[Docket No. QF87-456-000]

On June 1, 1987, StarMark Energy Systems, Inc. (Applicant), of 813 Ridgelake Boulevard, Suite 400, Memphis, Tennessee, 38119 submitted for filing an application for certification of a facility as a qualifying small power production facility pursuant to § 292.207 of the Commission's regulations. No determination has been made that the submittal constitutes a complete filing.

The proposed small power production facility will be located at National Fuel Supply Corporation's Mineral Springs Works Pressure Reduction Station, 365 Mineral Spring Road, Buffalo, New York 14210. The facility will consist of a turbo-expander, and a water-bath, gas fired heater. The maximum electric power production capacity of the facility will be 2,800 KW. Primary energy source will be waste energy released through reducing the pressure of the natural gas at the pressure reduction station. The installation of the facility is scheduled to commence by January, 1988.

Standard Paragraph

E. Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before the comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 87-13915 Filed 6-17-87; 8:45 am]

BILLING CODE 6717-01-M

Office of Hearings and Appeals

Cases Filed During the Week of May 1 through May 8, 1987

During the Week of May 1 through May 8, 1987, the appeals and applications for exception or other relief listed in the Appendix to this Notice were filed with the Office of Hearings and Appeals of the Department of Energy. Submissions inadvertently omitted from earlier lists have also been included.

Under DOE procedural regulations, 10 CFR Part 205, any person who will be aggrieved by the DOE action sought in these cases may file written comments on the application within ten days of service of notice, as prescribed in the procedural regulations. For purposes of the regulations, the date of service of notice is deemed to be the date of publication of this Notice or the date of receipt by an aggrieved person of actual notice, whichever occurs first. All such comments shall be filed with the Office of Hearings and Appeals, Department of Energy, Washington, DC 20585.

George B. Breznay,

Director, Office of Hearings and Appeals.

June 11, 1987.

LIST OF CASES RECEIVED BY THE OFFICE OF HEARINGS AND APPEALS

[Week of May 1 through May 8, 1987]

Date	Name and Location of Applicant	Case No.	Type of Submission
May 4, 1987	T.E. Reserve Corporation and James Allison, Jr. Washington, DC.	KEG-0009	Petition for special redress. If granted: The Economic Regulatory Administration would withdraw the February 28, 1986 Proposed Remedial Order (Case No. KRO-0400) issued to T.E. Reserve Corp. and James Allison, Jr.
May 5, 1987	Hanford Education Action League Spokane, Washington	KFA-0096	Appeal of an information request denial. If granted: The April 3, 1987 Freedom of Information Request Denial issued by Richland Operations Office would be rescinded and the Hanford Education Action League would receive access to certain documents relating to the operating history of the DOE's Hanford facility.
May 5, 1987	The Painting & Drywall Work, Preservation Fund, Inc., San Francisco, California.	KFA-0097	Appeal of an information request denial. If granted: The January 27, 1987 Decision and Order (Case No. KFA-0070) issued by the Office of Hearings and Appeals to the Painting & Drywall Work Preservation Fund, Inc. would be rescinded and the firm would receive access to workers' names on the requested certified payroll records.
May 7, 1987	Mutual Petroleum Marketing Co., Inc. et al. Washington, D.C.	KRD-0340, KRH-0340	Motion for discovery and request for evidentiary hearing. If granted: Discovery would be granted and an evidentiary hearing would be convened in connection with the four Statements of Objections submitted by Mutual Petroleum Marketing Company, Inc. *et al.* in response to the November 28, 1986 Proposed Remedial Order (Case No. KRO-0340) issued to them.

NOTICE OF OBJECTION RECEIVED

[Week of May 1 through May 8, 1987]

Date	Name and Location of Applicant	Case No.
5/4/87	Keneco, Littlestown, PA	KEE-0091

REFUND APPLICATIONS RECEIVED

[Week of May 1 through May 8, 1987]

Date received	Name of Refund Proceeding/Name of Refund Applicant	Case No.
7/29/86	Kuncl Oil Co	RF225-10794
7/14/86	M. L. King, Dist	RF225-10787 thru RF225-10788
5/5/86	McCoy Oil Co., Inc	RF225-10785 thru RF225-10786
4/28/86	J & R Oil, Inc	RF225-10783 thru RF225-10784
4/21/86	Gracey Oil Company, Inc	RF225-10782
4/21/86	Morgan Oil Company, Inc.	RF225-10781
4/17/86	W. R. Johnson	RF225-10795
5/1/87 thru 5/8/87.	Getty Oil Refund Applications.	RF265-1216 thru RF265-1279
5/1/87 thru 5/8/87.	Cranston Oil Refund Applications.	RF276-185 thru RF276-203
5/1/87 thru 5/8/87.	Pyrofax Gas Refund Applications.	RF277-6 thru RF277-17
5/4/87	Vogel's LP Gas	RF140-56
5/4/87	Pilgrim Glass Corp	RF277-3
5/4/87	Hocker Oil Co	RF293-1
5/4/87	MFA Oil Co	RF293-2
5/5/87	GTE American Mine Tool	RF277-4
5/5/87	Indiana Farm Cooperative Assn.	RF277-5
5/5/87	Vincent Oil Co., Inc	RF225-10789 thru RF225-10790
5/6/87	Central Oil Corp	RF250-2723
5/6/87	T & M Oil Co., Inc	RF250-2724
5/6/87	Capitol Oil Co	RF250-2725
5/7/87	Stoney Point Service Station.	RF293-3
5/7/87	Prough Marathon, Inc	RF250-2726
5/7/87	Wasserman Realty Service.	RF243-4
5/7/87	Newport Fuels	RF225-10796
5/8/87	Edwin Dyck	RF161-107
5/8/87	Veding Corp	RF108-35
5/8/87	GP Transit	RF272-446
5/8/87	Sawhill Tubular Division	RF272-447

[FR Doc. 87-13929 Filed 6-17-87; 8:45 am]

BILLING CODE 6450-01-M

Notice of Issuance of Proposed Decisions and Orders During the Week of May 4 through May 8, 1987

During the week of May 4 through May 8, 1987, the proposed decisions and orders summarized below were issued by the Office of Hearings and Appeals of the Department of Energy with regard to applications for exception.

Under the procedural regulations that apply to exception proceedings (10 CFR Part 205, Subpart D), any person who will be aggrieved by the issuance of a proposed decision and order in final form may file a written notice of objection within ten days of service. For purposes of the procedural regulations, the date of service of notice is deemed to be the date of publication of this Notice or the date an aggrieved person receives actual notice, whichever occurs first.

The procedural regulations provide that an aggrieved party who fails to file a Notice of Objection within the time period specified in the regulations will be deemed to consent to the issuance of the proposed decision and order in final form. An aggrieved party who wishes to contest a determination made in a proposed decision and order must also file a detailed statement of objections within 30 days of the date of service of the proposed decision and order. In the statement of objections, the aggrieved party must specify each issue of fact or law that it intends to contest in any further proceeding involving the exception matter.

Copies of the full text of these proposed decisions and orders are available in the Public Reference Room of the Office of Hearings and Appeals, Room 1E-234, Forrestal Building, 1000 Independence Avenue, SW., Washington, DC 20585, Monday through Friday, between the hours of 1:00 p.m. and 5:00 p.m., except federal holidays.

George B. Breznay,

Director, Office of Hearings and Appeals.

June 11, 1987.

Graziano Oil Co., Inc., Appel Oil Corp., Watertown, CT, Carmel, IN, KEE-0126, KEE-0127, Reporting Requirements

Graziani Oil Company, Inc. and Appel Oil Corporation filed Applications for Exception from the reporting requirements of Form EIA-782B. The exception requests, if granted, would permit Graziano and Appel to cease filing that Form, entitled "Resellers'/Retailers' Monthly Petroleum Product Sales Report." On May 6, 1987, the Department of Energy issued a Proposed Decision and Order which determined that the exception requests be denied.

Hahn Oil Co., Inc., Petroleum Sales, Inc., Evansville, IN, Randelman, NC, KEE-0124, KEE-0125, Reporting Requirements

Hahn Oil Company, Inc. and Petroleum Sales, Inc., filed Applications for Exception from the reporting requirements of Form EIA-782B. The exception requests, if granted, would permit Hahn and Petroleum Sales to cease filing that Form, entitled "Resellers'/Retailers' Monthly Petroleum Product Sales Report." On May 6, 1987, the Department of Energy issued a Proposed Decision and Order which determined that the exception requests be denied.

J. D. McBride Oil Co., Corunna, MI, KEE-0137, Reporting Requirements

On April 9, 1987, J. D. McBride Oil Company filed an Application for Exception from the provisions of the EIA's requirement to complete and submit Form EIA-782B, entitled "Resellers'/Retailers' Monthly Petroleum Product Sales Report." On May 4, 1987, the DOE issued a Proposed Decision and Order which determined that the exception request be denied.

R. E. Hinkley Co., Inc., Claremont, NH, KEE-0119, Reporting Requirements

R. E. Hinkley Co., Inc. filed an Application for Exception from the requirement to complete and file Form EIA-782B, entitled "Resellers'/Retailers, Monthly Petroleum Product Sales Report." On May 6, 1987, the Department of Energy issued a Proposed Decision and Order which determined that the exception request be denied.

[FR Doc. 87-13930 Filed 6-17-87; 8:45 am]

BILLING CODE 6450-01-M

Southwestern Power Administration

Availability of Temporary Power Sales

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of policy regarding temporary power sales.

SUMMARY: The Southwestern Power Administration (SWPA), Department of Energy, markets Federal hydroelectric power (hydro capacity) and energy from projects constructed and operated by the Corps of Engineers located in the States of Arkansas, Missouri, Oklahoma and Texas, under the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as amended, in an area which includes the previously-mentioned states plus Kansas and Louisiana.

Since SWPA adopted the Final Power Allocation in 1980 (45 FR 19032), numerous public body and cooperative utility systems have indicated an interest in receiving an allocation of Federal hydroelectric power and energy from SWPA. SWPA does not have any additional hydroelectric power available for long-term allocation at this time (additional Federal hydroelectric power projects ar being considered). However, SWPA has developed operating criteria, including contract scheduling flexibility, which may result in hydroelectric power, and energy, being available for short periods of time to public body and cooperative utility systems in the SWPA marketing area. The operating criteria include flexibility for customers to schedule their hydroelectric peaking power allocations for longer periods at lower rates of

delivery. The criteria were developed and are explained in SWPA's Power Marketing Modification Study dated September 1985, which was prepared with substantial customer participation and was distributed to all of SWPA's customers upon completion. Copies are available upon request.

The study indicated that SWPA customers with temporary excesses of capacity may also "loan" all or a portion of their allocated hydroelectric capacity through SWPA, at no financial gain on the "loaning" transaction for the "lender", to other SWPA customers which may be temporarily short of capacity or in need of replacing alternatively generated power. SWPA's development of this program is consistent with its authority to market Federal hydroelectric power and energy at the lowest possible rates consistent with sound business principles and to encourage its most widespread use. SWPA's Administrator may allocate Federal hydroelectric power and energy at his discretion and a "loan" under this initiative is considered only to be a temporary subordination of a customer's interest in its Federal allocation, and therefore, subject to SWPA's purview and control. This initiative is further intended to obtain the maximum use of Federal hydroelectric resources, which are ideally suited to meeting a utility's peaking power needs because of the limited energy available and rapid start-up capability, without depleting non-renewable resources that would be utilized in alternative thermal power plants. A modification of this initiative is being offered to provide for the availability of the energy associated with allocated hydroelectric capacity "loaned" at the discretion of the allottee. This modification is a direct result of expressed customer interest and promotes the efficient use of renewable resources. Additionally, some SWPA customers have indicated that amounts of allocated hydroelectric power and energy which exceed their immediate needs may be available for temporary sale to other utility systems enabling those systems to decrease the use of non-renewable thermal alternatives.

Accordingly, SWPA announced a proposed policy by notice published in the **Federal Register** December 31, 1986 (51 FR 47300), whereby existing SWPA customers could make allocated Federal hydroelectric power and energy available to SWPA for temporary sale to others in the following priority: (1) Public body and cooperative utility systems who are present customers or potential customers (including joint action agencies and any other public body and/or cooperative utility organizations which may be able to distribute the benefits of Federal hydropower to such public body and cooperative utility systems) to be selected by SWPA based on the chronological receipt of written requests for the "loaned" Federal hydroelectric power and energy, and (2) utilities other than public body or cooperative utility systems to be selected on the same chronological basis if no public body or cooperative utility systems are available to purchase such power. The proposed policy specified that such potential customers must have, or be able to arrange, the transmission rights to receive the power. Since a "loaned" allocation will not increase the total amount of hydroelectric power and energy SWPA will sell, but will only temporarily redirect its use, the sale of such power should maximize the use of Federal hydroelectric power.

SWPA received five responses on this proposed modification during the public comment period ending January 31, 1987. One response suggested that Federal agencies should be given a higher priority for the power. Another response expressed interest in the proposal if a mechanism were available through which customers in the Electric Reliability Council of Texas (ERCOT) area could take delivery of the power. The other three responses generally favored the proposal, but indicated opposition to the selection criteria being based on chronological receipt of the written requests as proposed in the notice. Those responses indicated a preference for an established procedure that provides adequate time to coordinate and analyze the Federal hydroelectric power allocations available for "loan" and the need for such hydroelectric power to be "borrowed."

In response to the comment from the Federal agency, we recognize the need for Federal agencies to receive adequate and dependable electric service, but we find no basis for their being awarded a higher priority for Federal hydroelectric resources than other potential customers. Federal agencies will have the same opportunity for "loaning" or "borrowing" Federal hydroelectric resources on a temporary basis as other interested parties who express their interest.

Regarding the "ERCOT" comment, we are interested in all customers and potential customers of SWPA being able to participate in this program to utilize Federal hydroelectric resources to the optimum, including those customers in the ERCOT area if arrangements can be made to develop a suitable procedure for delivery of the power, or corresponding benefits of such power, into the ERCOT area.

Finally, in recognition of the comments received regarding "selection criteria," SWPA has established a procedure which bases the selection of participants for "loaning" and "borrowing" allocations on a temporary basis on data provided by the participants rather than using chronological receipt of the written requests as the primary selection criterion. Interested parties are being requested to complete Resource Data Forms containing information pertinent to this program. SWPA will analyze all of the information provided and, at its discretion, match any allocations available for short-term "loan" to the requests for such "loans." Only in the event that more than one "lender" or "borrower" is available for the same temporary sale will a decision be made based on the chronological receipt of the Resource Data Forms. Allocated Federal hydroelectric power and energy made available to SWPA will be sold on a temporary basis in the priority indicated above, provided such participants must have, or must be able to arrange, the transmission rights to receive the power.

Therefore, in accordance with the priority expressed in the proposed policy as modified herein, SWPA is hereby issuing this "Policy Regarding Temporary Power Sales." SWPA does not consider this action to have a significant effect on the environment since peaking sales made under this policy will merely replace other peaking sales and resulting reservoir operations will not be affected. Further, under the scheduling flexibility criteria developed, any potential environmental damage is mitigated by allowing customers to schedule peaking power for longer periods at lower rates of delivery. In addition, the scheduling flexibility

criteria possibly makes hydroelectric capacity available for purchase by other customers. Commencing with the date this notice appears in the **Federal Register**, utility organizations interested in "loaning" or "borrowing" allocations of Federal hydropower resources on a temporary basis should notify SWPA of their interest in the program by providing the information requested in Resource Data Forms B–1 and L–1 to SWPA no later than August 31, 1987. Reource Data Forms will be requested on a biennial basis in the future. The completed forms and/or questions concerning the "Policy Regarding Temporary Power Sales" should be submitted to:

Francis R. Gajan, Director, Power Marketing, Southwestern Power Administration, Department of Energy, P.O. Box 1619, Tulsa, Oklahoma 74101, (918) 581–7529.

Issued in Tulsa, Oklahoma, this 8th day of June, 1987.

Ronald H. Wilkerson,

Administrator, Southwestern Power Administration.

BILLING CODE 6450-01-M

Southwestern Power Administration
Hydroelectric Power Borrowing Program
Resource Data Form B-1

Name of Utility System
Address
Name of Utility Manager
Utility's Telephone Number

1. Is your utility interested now, or in the near future, in borrowing Federal hydroelectric power that is available for loan on a temporary basis for distribution by SWPA?

Federal Capacity Only	Federal Energy Only	Both Federal Capacity and Energy
☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

2. If yes, please indicate the quantities and types of Federal hydroelectric power your utility would be interested in borrowing and the desired time frames.

	Federal Capacity Only kW	Federal Energy Only kWh	Both Federal Capacity and Energy kW	Both Federal Capacity and Energy kWh
Quantity				
Start Borrowing Day, Month, Year				
Stop Borrowing Day, Month, Year				

3. Does your utility have the transmission rights or is your utility able to arrange the transmission rights to receive Federal hydroelectric power from SWPA?

☐ Yes ☐ No

If yes, describe the transmission rights in detail.

[FR Doc. 87-13931 Filed 6-17-87; 8:45 am]
BILLING CODE 6450-01-C

Southwestern Power Administration
Hydroelectric Power Loaning Program
Resource Data Form L-1

Name of Utility System
Address
Name of Utility Manager
Utility's Telephone Number

1. Does your utility presently have, or expect to have in the near future, Federal hydroelectric power that is available for loan on a temporary basis for distribution by SWPA?

Federal Capacity Only	Federal Energy Only	Both Federal Capacity and Energy
☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

2. If yes, please indicate the quantities and types of Federal hydroelectric power your utility is willing to loan and the time frames available.

	Federal Capacity Only kW	Federal Energy Only kWh	Both Federal Capacity and Energy kW	Both Federal Capacity and Energy kWh
Quantity				
Begin Loan Day, Month, Year				
End Loan Day, Month, Year				

ENVIRONMENTAL PROTECTION AGENCY

[FRL-3219-5]

Reports of Performance Under FY 87 Section 105 Grants; Alabama

AGENCY: Environmental Protection Agency.

ACTION: Notice of availability of grantee performance evaluation reports.

SUMMARY: EPA's grant regulations (40 CFR 35.150) require the Agency to evaluate the performance of agencies which receive grants. EPA's regulations for regional consistency (40 CFR 56.7) require that the Agency notify the public of the availability of the reports of such evaluations. EPA recently performed midyear evaluations of the Alabama Department of Environmental Management, the State agency, and one of the local agencies in the State, the Jefferson County Department of Health. These midyear audits were conducted to assess the agencies' performance under the grants made to them by EPA pursuant to section 105 of the Clean Air Act. The audits were also conducted as part of the National Air Audit System (NAAS) established by EPA in an effort to assure nationwide consistency in the evaluation of state and local air pollution programs. EPA Region IV has prepared reports for both agencies and these NAAS/section 105 reports are now available for public inspection.

ADDRESS: The reports may be examined at the EPA's Region IV office, 345 Courtland Street NE., Atlanta, GA 30365, in the Air, Pesticides & Toxics Management Division.

FOR FURTHER INFORMATION CONTACT: Walter Bishop at 404/347-2864 (FTS: 257-2864).

Dated: June 8, 1987.

Lee A. DeHihns III,

Acting Regional Administrator.

[FR Doc. 87-13925 Filed 6-17-87; 8:45 am]

BILLING CODE 6560-50-M

FEDERAL EMERGENCY MANAGEMENT AGENCY

Guidance on Offsite Emergency Radiation Measurement Systems, Phase 1—Airborne Release, FEMA REP-2, Rev. 1

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice of availability of a guidance document on offsite emergency radiation systems for measurement of the airborne release and invitation for submittal of comments.

SUMMARY: The document, Guidance on Offsite Emergency Radiation Measurement Systems, Phase 1—Airborne Release, FEMA REP-2, Rev. 1, dated July 1987, will be available for public distribution and comment on July 20, 1987. Copies will be distributed to State and local government emergency planners with nuclear power plants operating or under construction, and other affected Federal agencies for review, comment, and interim use.

As lead Agency under a Memorandum of Understanding (MOU) with the Nuclear Regulatory Commission (NRC), the Federal Emergency Management Agency (FEMA) is responsible for the approval of offsite radiological emergency preparedness around nuclear power plants throughout the United States. FEMA's Rule 44 CFR Part 350 creates the regulatory framework by which FEMA will evaluate and assess State and local radiological emergency plans and preparedness of which offsite emergency radiation systems for measurement of the airborne release are a part. The document, "Guidance on Offsite Emergency Radiation Measurement Systems, Phase 1—Airborne Release", FEMA REP-2, Rev. 1 was developed to elaborate upon the requirements of 44 CFR 350 as related to offsite emergency radiation systems for measurement of the airborne release. The guidance is intended to assist State and local planners and utilities in understanding standards that FEMA will use to assess the adequacy of offsite emergency radiation systems for measurement of the airborne release and to assist FEMA personnel in uniformly interpreting and applying the applicable planning standards and criteria from NUREG-0654/FEMA-REP-1, Rev. 1 during plan reviews and exercises.

This is the first of a series of guidance documents on offsite instrumentation prepared by the Federal Radiological Preparedness Coordinating Committee, Subcommittee on Offsite Emergency Instrumentation. This is a revision of the original document published in September 1980. This report provides guidance on the selection and use of radiation instrumentation and methodologies that are currently available to detect and measure radioactive components, with emphasis on the measurement and evaluation of the radioiodines in airborne releases, in the event of a nuclear accident at a light water nuclear power plant. Many topics ancillary to the specific instrumentation requirements are included to provide a basis for the specific recommendations with respect to accident notification, exposure rate verification, the definition of an emergency worker, acceptable dosimetry systems, response team manpower, etc.

This document is intended for interim use until a final edition can be published later this calendar year. Comments received by FEMA on this document will be analyzed with the results being used to develop the final edition. Single copies of this document may be requested in writing from the Federal Emergency Management Agency, P.O. Box 70274, Washington, DC 20024. Please reference the FEMA number and title of the document in your request.

Comments on this document will be accepted through August 21, 1987, and should be addressed to: Rules Docket Clerk, Federal Emergency Management Agency, Room 835, 500 C. Street Southwest, Washington, DC 20472.

Dated: June 10, 1987.

For the Federal Emergency Management Agency.

Dave McLoughlin,

Deputy Associate Director, State and Local Programs and Support.

[FR Doc. 87-13870 Filed 6-17-87; 8:45 am]

BILLING CODE 6718-20-M

[Docket No.: FEMA-REP-4-GA-3, FEMA-REP-4-SC-5]

The Georgia and South Carolina Radiological Emergency Response Plans Site-Specific to the Vogtle Electric Generating Plant

ACTION: Certification of FEMA Finding and Determination.

In accordance with the Federal Emergency Management Agency (FEMA Rule 44 CFR Part 350, the State of Georgia formally submitted its State and local plans for radiological emergencies site-specific to the Vogtle Electric Generating Plant to the Regional Director of FEMA Region IV for FEMA review and approval on September 24, 1986; and the State of South Carolina formally submitted its State and local plans for radiological emergencies site-specific to the Vogtle Electric Generating Plant to the Regional Director of FEMA Region IV for FEMA review and approval on Septgember 26, 1986. On October 9, 1987, the Regional Director forwarded his evaluation to the Associate Director for State and Local Programs and Support in accordance with § 350.11 of the FEMA rule. Included in this evaluation is a review of the State and local plans around the Vogtle Electric Generating Plant; an evaluation of the joint exercise conducted on April 30–May 1, 1986, in accordance with § 350.9 of the FEMA Rule; and a public

meeting held on June 12, 1986, to discuss the site-specific aspects of the State and local plans around the Vogtle Electric Generating Plant in accordance with § 350.10 of the FEMA Rule.

Based on the evaluation by the Regional Director and the review by the FEMA Headquarters staff, I find and determine that, subject to the condition stated below, the State of Georgia, the State of South Carolina, and local plans and preparedness for the Vogtle Electric Generating Plant are adequate to protect the health and safety of the public living in the vicinity of the plant. These offsite plans and preparedness are assessed as adequate in that they provide reasonable assurance that appropriate protecive actions can be taken offsite in the event of a radiological emergency and are capable of being implemented. The condition for the above approval is that the adequacy of the prompt alert and notification system already installed and operational be evaluated by FEMA in accordance with the joint Nuclear Regulatory Commission/FEMA criteria set forth in NUREG–0654/FEMA–REP–1, Rev.1, and in FEMA–REP–10 "Guide for the Evaluation of Alert and Notification Systems for Nuclear Power Plants."

FEMA will continue to review the status of offsite plans and preparedness associated with the Vogtle Elecetric Generating Plant in accordance with the FEMA Rule.

For further details with respect to this action, refer to Docket Files FEMA–REP–4–GA–3 and FEMA–REP–4–SC–5 maintained by the Regional Director, FEMA Region IV, 1371 Peachtree Street, NE., Atlanta, Georgia 30309.

Dated: July 9, 1987.

For the Federal Emergency Management Agency.

Dave McLoughlin,

Deputy Associate Director, State and Local Programs and Support.

[FR Doc. 87–13869 Filed 6–17–87; 8:45 am]

BILLING CODE 6718–20–M

FEDERAL HOME LOAN BANK BOARD

[No. AC–633]

First Savings and Loan Association of New Hampshire Exeter, NH; Final Action Approval of Conversion Application

Dated: June 11, 1987.

Notice is hereby given that on June 3, 1987, the Office of the General Counsel of the Federal Home Loan Bank Board, acting pursuant to the authority delegated to the General Counsel or his designee, approved the application of First Savings and Loan Association of New Hampshire, Exeter, New Hampshire, for permission to convert to the stock form of organization. Copies of the application are available for inspection at the Office of the Secretariat at the Federal Home Loan Bank Board, 1700 G Street, NW., Washington, DC 20552, and at the Office of the Supervisory Agent at the Federal Home Loan Bank of Boston, Post Office Box 9106, Boston, Massachusetts 02205.

By the Federal Home Loan Bank Board.

John F. Ghizzoni,

Assistant Secretary.

[FR Doc. 87–13905 Filed 6–17–87; 8:45 am]

BILLING CODE 6720–01–M

Federal Savings and Loan Advisory Council; Meeting.

AGENCY: Federal Home Loan Bank Board.

ACTION: Notice of 1987 members.

FOR FURTHER INFORMATION CONTACT: Debra J. Ahearn, (202/377–6924).

SUPPLEMENTARY INFORMATION: The Federal Home Loan Bank Board hereby announces the members of the 1987 Federal Savings and Loan Advisory Council. They are as follows:

Elected Members

Edwin R. Biron, Chairman, of the Board and Chief Executive Officer, Commonwealth Federal Savings Bank Lowell, Massachusetts, District representative: Federal Home Loan Bank of Boston

Kenneth J. Abt, President, First Federal Savings and Loan Association of Middletown, Middletown, New York, District representative: Federal Home Loan Bank of New York, *FSLAC Vice Chairman*

Ronald W. Bevan, President and Chief Executive Officer, Delaware Savings and Loan Association, Wilmington, Delaware, District Representative: Federal Home Loan Bank of Pittsburgh

William G. White, Jr., President, First Federal Savings and Loan Association, Winston-Salem, North Carolina, District representative: Federal Home Loan Bank of Atlanta

Richard C. May, Chairman of the Board, Illinois Federal Savings and Loan Association, Fairview Heights, Illinois, District representative: Federal Home Loan Bank of Chicigo

William V. Turner, President, Great Southern Savings and Loan Association, Springfield, Missouri, District representative: Federal Home Loan Bank of Des Moines

Milton H. Thomas, President and Chief Executive Officer, First American Savings Bank, Hurst, Texas, District representative: Federal Home Loan Bank of Dallas

Charles H. Thorne, Chairman of the Board, First Federal Savings and Loan Association, Lincoln, Nebraska, District representative: Federal Home Loan Bank of Topeka

Edgar Bailey, Chairman of the Board, Leader Federal Savings and Loan Association, Memphis, Tennessee, District representative: Federal Home Loan Bank of Cincinnati

Richard Belcher, President, First Federal Savings Bank, Rochester, Indiana, District representative: Federal Home Loan Bank of Indianapolis

Ray Martin, President, Coast Savings and Loan Association, Los Angeles, California, District representative: Federal Home Loan Bank of San Francisco.

Gerald R. Christensen, President and Chairman of the Board, First Federal Savings and Loan Association of Salt Lake City, Salt Lake City, Utah.

Appointed Members

Bernard J. Carl, Vice President, Mortgage Finance Department, Salomon Brothers New York, New York, *FSLAC Agenda Chairman*

John Collins, Esquire, Steptoe and Johnson, Washington, DC

Stuart I. Greenbaum, Professor, Kellogg Graduate School of Management, Northwestern University, Evanston Illinois

Eric I. Hemel, Vice President, First Boston Corporation, New York, New York

Paul Horvitz, Professor, University of Houston, Houston, Texas

Sandra K Johnigan, National Director, Thrift and Real Estate Industries, Arthur Young, New York, New York

Tawfiq N. Khoury, Chairman and Chief Executive Officer, Pacific Scene, Inc., San Diego, California

Norman Raiden, Esquire, McKenna, Conner and Cuneo, Los Angeles, California, *FSLAC Chairman*

William Schilling, Esquire, Jones, Day, Reavis and Pogue, Los Angeles, California

Kenneth T. Rosen, Chairman and Professor, Center for Real Estate and Urban Economics, Berkeley, California

Robert A. Eisenbeis, Washovia Professor of Banking, University of North Carolina at Chapel Hill, Chapel Hill, North Carolina

Mallory Factor, President, Mallory Factor, Inc., New York, New York

Ex Officio Members

Dean Cannon, President, California League of Savings Institutions, Los Angeles, California

James Coles, Vice Chairman, First Federal Savings of Arkansas, F.A., Little Rock, Arkansas

Norman J. Goldberg, H.E. Goldberg Realtors, South Orange, New Jersey

Dr. Maurice Mann, Chairman and Chief Executive Officer, Pacific Stock Exchange, San Francisco, California

Betty Tom Chu, Chairman, Trust Savings Bank, Monterey Park, California

David C. Smith, Smith and Company, McDowell, Virginia

Gerald Levy, Managing Officer, Guaranty Savings and Loan Assocition, Milwaukee, Wisconsin

Norman Strunk, Congress-Secretary, International Union of Building Societies and Savings Association, Chicago, Illinois

Ronald F. Poe, President, Dorman and Wilson, Inc., White Plains, New York

Paul A. Schosberg, President, New York League of Savings Institutions, Scarsdale, New York

William Crawford, Commissioner, California Department of Savings and Loan, Los Angeles, California

Sidney A. Bailey, Commission of Financial Institutions, State of Virginia, Richmond, Virginia

John F. Ghizzoni,

Assistant Secretary, Federal Home Loan Bank Board.

June 15, 1987.

[FR Doc. 87-13946 Filed 6-17-87; 8:45 am]

BILLING CODE 6720-01-M

FEDERAL RESERVE SYSTEM

Agency Forms Under Review System

June 12, 1987.

Background

Notice is hereby given of final approval of proposed information collection(s) by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.9 (OMB Regulations on Controlling paperwork Burdens on the Public).

FOR FURTHER INFORMATION CONTACT:

Federal Reserve Board Clearance Officer—Nancy Steele—Division of Research and statistics, Board of Governors of the Federal Reserve System, Washington DC 20551 (202-452-3822)

OMB Desk Officer—Robert Fishman—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503 (202-395-688).

Approval under OMB delegated authority of the extension, with revision, on the following reports:

1. Report title: Weekly Report of Assets and Liabilities for Large Banks and Weekly Report of Selected Assets

Agency form numbers: FR 2416 and FR 2644

OMB Docket numbers: 7100-0075

Frequency: Weekly

Reporters: U.S. commercial banks

Annual reporting hours: 48,932

Small businesses are not affected

General description of reports:

These reports are voluntary [12 U.S.C. 225(a) and 248(a)] and are given confidential treatment [5 U.S.C. 552(b)(4) and (8)]. The FR 2416 collects balance sheet information from a sample of large U.S. commercial banks and the FR 2644 collects information on selected assets from a stratified sample of smaller U.S. commercial banks. An item will be added to each report to obtain information on home equity loans. An additional minor change will be made to the FR 2644, the inclusion of an "all other loan" category as a subcategory under total loans and leases.

Board of Governors of the Federal Reserve System.

William W. Wiles,

Secretary of the Board.

June 12, 1987.

[FR Doc. 87-13855 Filed 6-17-87; 8:45 am]

BILLING CODE 6210-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

Alcohol, Drug Abuse, and Mental Health Administration; Statement of Organization, Functions, and Delegations of Authority

Part H, Chapter HM, Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA), of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health and Human Services (39 FR 1654, January 11, 1974, as amended most recently at 51 FR 17414, May 12, 1986) is amended to reflect the reorganization of the Office of the Administrator, ADAMHA. The reorganization accomplishes the following: (1) Revises the mission and functional statements of ADAMHA; (2) establishes an Office of Financing and Coverage Policy, an Office of Communications and External Affairs, and an Office for Substance Abuse Prevention; (3) abolishes the Office of Prevention, transferring its prevention research coordination function to the Office for Substance Abuse Prevention, international activities to the Office of Policy Coordination, and the ADMS block grant program to the new Office of Financing and Coverage Policy; (4) revises the functional statement of the Office of Policy Coordination to include international activities and to delete the communications and public affairs functions transferred to the new Office of Communications and External Affairs; and (5) revises the functional statement of the Office of Science, transferring reimbursement and financing issues to the Office of Financing and Coverage Policy and adding a grant and contract review function.

Section HM-A, Mission, is amended as follows:

Delete the period and add the following to the last sentence of the mission statement:

"and the Emergency Substance Abuse Treatment and Rehabilitation allotment program."

Section HMOB, Organization and Functions, is amended as follows:

(1) In the functional statement for the *Alcohol, Drug Abuse, and Mental Health Administration (HM),* change item (6) to item (7) and insert the following before the new item (7): "(6) administers the Emergency Substance Abuse Treatment and Rehabilitation allotment program and other activities related to substance abuse prevention;"

(2) Substitute the following revised functional statement:

Office of Policy Coordination (HMA2)

(1) Provides leadership and guidance in the analysis, planning, coordination, and evaluation of overall agency and interagency policies and programs; (2) identifies, coordinates, and performs analyses, program assessments, or special studies of key issues relative to policy direction and having agencywide implications; (3) provides general policy review and executive oversight of agency correspondence, and Administrator, PHS and departmental assignments; (4) analyzes legislative issues; develops related policy and position papers, which include appropriate recommendations; and maintains liaison with congressional legislative committees; (5) directs the agencywide annual short and long-term program planning processes, and conducts, analyzes, and supports non-research planning activities; (6) coordinates the development, review, and execution of the agency's 1%

evaluation plan; (7) coordinates meetings and provides staff support to the ADAMHA Advisory Board; and (8) provides coordination, guidance, and leadership for the agency's international activities.

(3) Delete the *Office of Prevention (HMA3).*

(4) Add the functional statements for the *Office of Communications and External Affairs (HMA4),* the *Office of Financing and Coverage Policy (HMA6),* and the *Office for Substance Abuse Prevention (HMA9)*

Office of Communications and External Affairs (HMA4)

(1) Plans, implements, and oversees a comprehensive public affairs program, on behalf of the Administrator, including dissemination of news and information to the media, general public, Federal departments, State and local governments, professional organizations, and public interest groups on ADAMHA's mission, goals, and accomplishments; (2) advises the Administrator on policy matters related to ADAMHA communications, external (intergovernmental, interdepartmental, constituent groups, organizations, foundations, and educational/research institutions of concern to the ADM fields) and public affairs activities; (3) maintains liaison with the media to facilitate coverage and interpretation of ADAMHA's programs and objectives, including preparation of editorials, news releases, articles, speeches, and other public affairs material; (4) serves as central liaison, clearance, and coordinating point for Institute and ADAMHA-wide communication, education, and information projects and related activities, including dissemination of public and professional materials; (5) oversees and coordinates the public affairs activities of the three Institutes to assure that the Institutes collaborate on crosscutting activities and that all public affairs activities are in accord with DHHS and ADAMHA goals; (6) collaborates with the Office of Substance Abuse Prevention to assist in the development and dissemination of informational and educational materials and in the use of the mass media and other public affairs tools for effective implementation of ADAMHA goals; (7) reviews and approves all Institute and Office of the Administrator publications, press releases, audiovisuals, and other materials intended for public dissemination and serves as clearance liaison with the Office of the Assistant Secretary for Health and department public affairs offices; (8) serves as ADAMHA Freedom of Information Office and oversees Institute Freedom of Information activities to assure appropriate response to requests for agency documents and records; and (9) publishes *ADAMHA News,* the agency's official channel for informing the field, employees, and concerned citizens of advancements in research, treatment, and prevention of ADM disorders.

Office of Financing and Coverage Policy (HMA6)

(1) Develops, implements, and reviews all financing, coverage, and reimbursement policy for the agency, relating to health care in general, and alcohol, and drug abuse, and mental health fields specifically; (2) coordinates and conducts crosscutting intramural and extramural research initiatives involving financing and coverage policy related to ADM services; (3) conducts evaluation and studies of crosscutting ADM financing, research, demonstration, and block grant related activities; (4) administers the ADM Services Block Grant program, including compliance reviews, technical assistance to States, Territories, and Indian Tribes; (5) administers the Emergency Substance Abuse Treatment and Rehabilitation program; (6) establishes, implements, and analyzes data policy and data activities as they relate to the planning, collections, management, evaluation, and dissemination of statistical and epidemiologic data pertinent to the functions of the agency, and provides policy direction and coordination of agency statistical activities under provisions of the Paperwork Reduction Act of 1980.

Office for Substance Abuse Prevention (HMA9)

(1) Develops, implements, and reviews disease prevention and health promotion policy related to alcohol and drug abuse, analyzing impact of Federal activities on State and local government and private program activities; (2) coordinates the findings of research sponsored by PHS agencies on the prevention of drug and alcohol abuse, and coordinates all prevention research and evaluation in ADAMHA; (3) in coordination with the Office of Communications and External Affairs, develops and collects drug and alcohol abuse prevention literature and other materials and, with the Secretary of Education, supports a clearinghouse to disseminate such materials among states, political subdivisions, educational agencies and institutions, health and drug treatment/rehabilitation networks, and the general public; (4) sponsors regional and national workshops/conferences on the prevention of drug and alcohol abuse; (5) supports programs of training of substance abuse counselors and other health professionals; (6) conducts training, technical assistance, data collection, and evaluation activities of programs supported under the Drug Free Schools and Communities Act of 1986; (7) supports the development of model, innovative, community-based programs to discourage alcohol and drug abuse among young people; (8) in cooperation with the Director of the Centers for Disease Control, develops educational materials to reduce the risks of acquired immune deficiency syndrome among intravenous drug abusers; (9) in coordination with the Office of Communications and External Affairs, prepares documentary films and public service announcements for television and radio to educate the public concerning the health effects of drug and alcohol consumption; (10) operates a grant program for projects to demonstrate effective models for the prevention, treatment, and rehabilitation of drug and alcohol abuse among high risk youth; and (11) develops and maintains liaison with other Federal agencies, national organizations, and the private sector to stimulate and coordinate prevention activities.

(5) In item (4) of the functional statement for the *Office of Science (HMA5),* change the comma after "program policies" to a semicolon (;) and delete the words "and alcohol, drug abuse and mental health care reimbursement and financing issues;" from that item. At the end of item (5), insert the following before the semicolon: "and manages a grant and contract review function for the Office of the Administrator."

Dated: June 9, 1987.

Otis R. Bowen,

Secretary.

[FR Doc. 87-13873 Filed 6-17-87; 8:45 am]

BILLING CODE 4160-20-M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Alaska AA-48786-AL]

Proposed Reinstatement of a Terminated Oil and Gas Lease

In accordance with Title IV of the Federal Oil and Gas Royalty Management Act (Pub. L. 97-451), a petition for reinstatement of oil and gas lease AA-48786-AL has been received covering the following lands:

Fairbanks Meridian, Alaska

T. 19 S., R. 10 E.,
Sec. 6, NW¼NW¼.
(34.50 acres)

The proposed reinstatement of the lease would be under the same terms and conditions of the original lease, except the rental will be increased to $5 per acre per year, and royalty increased to 16⅔ percent. The $500 administrative fee and the cost of publishing this Notice have been paid. The required rentals and royalties accruing from September 1, 1986, the date of termination, have been paid.

Having met all the requirements for reinstatement of lease AA–48786–AL as set out in section 31 (d) and (e) of the Mineral Leasing Act of 1920 (30 U.S.C. 188), the Bureau of Land Management is proposing to reinstate the lease, effective September 1, 1986, subject to the terms and conditions cited above.

Dated: June 9, 1987.

Kay F. Kletka,

Chief, Branch of Mineral Adjudication.

[FR Doc. 87–13939 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–JA–M

[NV–030–07–4212–11; N–36567]

Realty Action; Amended Lease of Land for Recreation and Public Purposes Washoe County, NV

The following described public land has been identified as suitable and will be classified for an amended lease under the Recreation and Public Purposes Act, as amended (43 U.S.C. 869, et seq.):

Mount Diablo Meridian

T. 21 N., R. 20 E.,
Sec. 8, N1/2NW1/4NE1/4SW1/4.

The land aggregates 5 acres. The applicant, Reno Radio Control, proposes to use the land for expansion of a model airplane flying site. The original lease issued on August 2, 1983, also aggregates 5 acres.

The land lies within the Hungry Valley Grazing Allotment, however, livestock grazing will not be affected by this proposal.

The lease, when issued, will be subject to the provisions of the Recreation and Public Purposes Act and applicable regulations of the Secretary of the Interior.

Detailed information concerning this action is available for review at the Bureau of Land Management Office, Carson City District Office.

Upon publication of this Notice in the **Federal Register**, the land will be segregated from all forms of appropriation under the public land laws and the general mining laws, but not the Recreation and Public Purposes Act and the mineral leasing laws.

For a period of 45 days from the date of publication of this Notice in the **Federal Register**, interested parties may submit comments to the District Manager, 1535 Hot Springs Road, Suite 300, Carson City, Nevada 89445. Any adverse comments will be reviewed by the State Director. In the absence of adverse comments, the classification of the land described in this Notice will become effective 60 days from the date of publication in the **Federal Register**.

Dated this 10th day of June 1987.

James W. Elliott,

District Manager.

[FR Doc. 87–13934 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–HC–M

[NV–930–07–4212–13; N–30967]

Realty Actions; Nevada

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of Conveyance and Order Providing for Opening of Public Lands.

SUMMARY: On May 26, 1987, the United States issued an exchange conveyance document to Loyd Sorensen and Alta Sorensen for the following Federal lands pursuant to sec. 206 of the Act of October 21, 1976 (43 U.S.C. 1716):

Mount Diablo Meridian, Nevada

T. 34 N., R. 60 E.,
sec. 4, lots 3 and 4;
sec. 24, W½SW¼.
T. 35 N., R. 62 E.,
sec. 32, E½;

Comprising 481.05 acres in Elko County, Nevada.

In exchange for these lands, the United States acquired the following non-Federal lands:

Mount Diablo Meridian, Nevada

T. 35 N., R. 61 E.,
sec. 29, E½;
sec. 33, All;

Comprising 960 acres in Elko County, Nevada.

The purpose of this exchange was to acquire non-Federal lands within the Humboldt National Forest having high public values. The public interest was served through completion of this exchange.

The values of the Federal lands and the non-Federal lands in the exchange were appraised at $53,000.00.

Title to the non-Federal lands was accepted on May 19, 1987. In accordance with 43 CFR 2200.3(c), these lands are hereby transferred to the Secretary of Agriculture as part of the Humboldt National Forest and are subject to all the laws, rules, and regulations applicable thereto.

DATES: At 10 a.m. on July 20, 1987, the lands shall be open to such forms of disposition as may by law be made of national forest lands, including location and entry under the United States mining laws. Appropriation of lands described in this order under the general mining laws prior to the date and time of restoration is unauthorized. Any such attempted appropriation, including attempted adverse possession under 30 U.S.C. sec. 38, shall vest no rights against the United States. Acts required to establish a location and to initiate a right of possession are governed by State law where not in conflict with Federal law. The Bureau of Land Management will not intervene in disputes between rival locators over possessory rights since Congress has provided for such determinations in local courts.

At 10 a.m. on July 20, 1987, the lands will be opened to applications and offers under the mineral leasing laws.

FOR FURTHER INFORMATION CONTACT: Forest Supervisor, Humboldt National Forest, 976 Mountain City Highway, Elko, Nevada 89801.

Dated June 9, 1987.

Wayne M. Lowman,

Acting Chief, Branch of Lands and Minerals Operations.

[FR Doc. 87–13878 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–HC–M

[ID–943–07–4220–10; I–22990]

Proposed Withdrawal and Opportunity for Public Meeting: Crooked River Near Orogrande, ID; Correction

June 11, 1987

In FR Doc. 87–12214 filed May 28, 1987, appearing on page 20163 of the issue for May 29, 1987, the following correction should be made

ID–943–07–4220–10; I–22990

should read:

ID–943–07–4220–10; I–23990

and on page 20164, first column, line 20, the following correction should be made:

South 89°34'04" distance of 189.13 feet to

should read:

South 89°34'04" West distance of 189.13 feet to

William E. Ireland,

Chief, Realty Operations Section.

[FR Doc. 87-13933 Filed 6-17-87; 8:45 am]

BILLING CODE 4310-33-M

Fish and Wildlife Service

Receipt of Applications for Permits

The following applicants have applied for permits to conduct certain activities with endangered species. This notice is provided pursuant to section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531, *et seq.*):

Applicant: National Zoological Park, Washington, DC

The applicant requests permits to import 32 captive born golden lion tamarins (*Leontopithecus rosalia*) from various institutions for physical examinations, marking, radio-tagging, and reexportation to Dionizio Pessamilio, Poco das Antos Reserve, Rio de Janeiro, Brazil for reintroduction to the wild to enhance the propagation and survival of the species. The permits requested are listed below:

—Import 3 male, 2 female and 2 unsexed tamarins from Zoologischer Garten Frankfurt, Frankfurt, Federal Republic of Germany (PRT-719142) for reexport to Brazil (PRT-719202).

—Import 2 male, 2 female and 2 unsexed tamarins from Jersey Wildlife Preservation Trust, Jersey, Channel Islands (PRT-719203) for reexport to Brazil (PRT-719204).

—Import 1 male, 3 female and 2 unsexed tamarins from Skansen Zoo, Stockholm, Sweden (PRT-719205) for reexport to Brazil (PRT-719206).

—Import Import 2 male, 2 female and 2 unsexed tamarins from Apenheul Nature Park, Apeldoorn, the Netherlands (PRT-719207) for reexport to Brazil (PRT-719208).

—Import 1 male, 4 female and 2 unsexed tamarins from Zoologischer Garten Koln, Cologne, Federal Republic of Germany (PRT-719209) for reexport to Brazil (PRT-719210).

PRT-718938

Applicant: American Type Culture Collection, Rockville, MD

The applicant requests a permit for multiple exports of cell lines derived from orangutan (*Pongo pygmaeus*) and lion-headed marmoset (*Leontideus rosalia*) to Sumisho Pharma Corp., Osaka, Japan for the purpose of scientific research.

PRT-717012

Applicant: Wildlife Waystation, San Fernando, CA

The applicant requests a permit to export two female Bengal tigers (*Panthera tigris*) captive-bred in the United States to Parque Zoologicao Villa Fantasia, Zapopan, Mexico, for the purpose of exhibit and education about the conservation needs of the species in the wild.

PRT-719046

Applicant: International Succulent Institute, Orinda, CA

The applicant requests a permit to sell in interstate and foreign commerce, and export artificially propagated specimens of New River Agave (*Agave arizonica*) to enhance the propagation of the species.

Documents and other information submitted with these applications are available to the public during normal business hours (7:45 am to 4:15 pm) Room 611, 1000 North Glebe Road, Arlington, Virginia 22201, or by writing to the Director, U.S. Fish and Wildlife Service of the above address.

Interested persons may comment on any of these applications within 30 days of the date of this publication by submitting written views, arguments, or data to the Director at the above address. Please refer to the appropriate PRT number when submitting comments.

Dated: June 12, 1987.

R.K. Robinson,

Chief, Branch of Permits, Federal Wildlife Permit Office.

[FR Doc. 87-13847 Filed 6-17-87; 8:45 am]

BILLING CODE 4310-55-M

Minerals Management Service

Royalty Management Advisory Committee, Systems Improvement Working Panel; Meeting

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of Meeting.

SUMMARY: The Minerals Management Service (MMS), Royalty Management Program (RMP), hereby gives notice that the Systems Improvement Working Panel, established by the Royalty Management Advisory Committee, will be meeting in Lakewood, Colorado, at the location and on the dates identified below.

The Systems Improvement Working Panel was established to analyze and provide recommendations to the Advisory Committee regarding improvements to make RMP financial and production accounting systems operate more effectively. The purpose of the meetings is to identify and/or analyze specific issues such as potential software improvements to the MMS Auditing and Financial System (AFS) which is to be transferred to a mainframe computer later in 1987.

LOCATION AND DATES: The Systems Improvement Working Panel will meet at the Sheraton Inn Lakewood, 360 Union Boulevard, Lakewood, Colorado 80228, on June 22, 23, and 24, 1987. The meetings will convene at 8:00 a.m. and adjourn at 5:00 p.m. each day.

The public is invited to attend these meetings and to provide comments. A time will be set aside by the Panel Chairperson during the meetings when the public will be invited to make oral comments. Written comments should be submitted by June 24, 1987, to Mr. Vernon B. Ingraham at the address shown below.

FOR FURTHER INFORMATION CONTACT: Vernon B. Ingraham, Minerals Management Service, Royalty Management Program, Office of External Affairs, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 651, Denver, Colorado 80225, telephone number (303) 231-3360, (FTS) 326-3360.

SUPPLEMENTARY INFORMATION: This Working Panel is composed of both Advisory Committee members and non-Committee members. The Panel was established to provide the Advisory Committee with analysis of specific issues and proposed recommendations. After its review, the Advisory Committee will then decide on the advice and recommendations to be made to the Department of the Interior and MMS. Although the Panel may meet with the Department of the Interior or MMS staff to obtain information it requires in conducting its business, the Panel's advice and recommendations will be made to the Advisory Committee and not to the Department of the Interior or MMS.

Dated: June 12, 1987.

Jerry D. Hill,

Associate Director for Royalty Management.

[FR Doc. 87-13877 Filed 6-17-87; 8:45 am]

BILLING CODE 4310-MR-M

Development Operations Coordination Document

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of the Receipt of a Proposed Development Operations Coordination Document (DOCD).

SUMMARY: Notice is hereby given that Amoco Production Company has submitted a DOCD describing the

activities it proposes to conduct on Leases OCS–G 0971 and OCS–G 1880, Blocks 261 and 264, respectively, East Cameron Area, offshore Louisiana. Proposed plans for the above area provide for the development and production of hydrocarbons with support activities to be conducted from an onshore base located at Intracoastal City, Louisiana.

DATE: The subject DOCD was deemed submitted on June 11, 1987.

ADDRESS: A copy of the subject DOCD is available for public review at the Public Information Office, Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, Room 114, New Orleans, Louisiana (Office Hours: 8 a.m. to 4:30 p.m., Monday through Friday).

FOR FURTHER INFORMATION CONTACT: Michael J. Tolbert; Minerals Management Service, Gulf of Mexico OCS Region, Field Operations, Plans, Platform and Pipeline Section, Exploration/Development Plans Unit; Telephone (504) 736–2867.

SUPPLEMENTARY INFORMATION: The purpose of this Notice is to inform the public, pursuant to section 25 of the OCS Lands Act Amendments of 1978, that the Minerals Management Service is considering approval of the DOCD and that it is available for public review.

Revised rules governing practices and procedures under which the Minerals Management Service makes information contained in DOCDs available to affected States, executives of affected local governments, and other interested parties became effective December 13, 1979 (44 FR 53685). Those practices and procedures are set out in revised § 250.34 of Title 30 of the CFR.

Dated: June 11, 1987.

J. Rodgers Pearcy,

Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 87–13935 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–MR–M

Development Operations Coordination Document

AGENCY: Minerals Management Service, Interior.

ACTION: Nice of the Receipt of a Proposed Development Operations Coordination Document (DOCD).

SUMMARY: Notice is hereby given that Amoco Production Company has submitted a DOCD describing the activities it proposes to conduct on Lease OCS–G 1248, Block 161, South Timbalier Area, offshore Louisiana. Proposed plans for the above area provide for the development and production of hydrocarbons with support activities to be conducted from an onshore base located at Fourchon, Louisiana.

DATE: The subject DOCD was deemed submitted on June 8, 1987.

ADDRESS: A copy of the subject DOCD is available for public review at the Public Information Office, Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, Room 114, New Orleans, Louisiana (Office Hours: 8 a.m. to 4:30 p.m., Monday through Friday).

FOR FURTHER INFORMATION CONTACT: Michael J. Tolbert; Minerals Management Service, Gulf of Mexico OCS Region, Field Operations, Plans, Platform and Pipeline Section, Exploration/Development Plans Unit; Telephone (504) 736–2867.

SUPPLEMENTARY INFORMATION: The purpose of this Notice is to inform the public, pursuant to section 25 of the OCS Lands Act Amendments of 1978, that the Minerals Management Service is considering approval of the DOCD and that it is available for public review.

Revised rules governing practices and procedures under which the Minerals Management Service makes information contained in DOCDs available to affected States, executives of affected local governments, and other interested parties became effective December 13, 1979 (44 FR 53685). Those practices and procedures are set out in revised §250.34 of Title 30 of the CFR.

Dated: June 10, 1987.

J. Rogers Pearcy,

Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 87–13936 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–MR–M

Development Operations Coordination Document

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of the Receipt of a Proposed Development Operations Coordination Document (DOCD).

SUMMARY: Notice is hereby given that Koch Exploration Company has submitted a DOCD describing the activities it proposes to conduct on Leases OCS-G 0932 and 5022, Blocks 49 and 44, respectively, East Cameron Area, offshore Louisiana. Proposed plans for the above area provide for the development and production of hydrocarbons with support activities to be conducted from an onshore base located at Cameron, Louisiana.

DATE: The subject DOCD was deemed submitted on June 8, 1987. Comments must be received within 15 days of the date of this Notice or 15 days after the Coastal Management Section receives a copy of the plan from the Minerals Management Service.

ADDRESSES: A copy of the subject DOCD is available for public review at the Public Information Office, Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, Room 114, New Orleans, Lousiana (Office Hours: 8 a.m. to 4:30 p.m., Monday through Friday). A copy of the DOCD and the accompanying Consistency Certification are also available for public review at the Coastal Management Section Office located on the 10th Floor or the State Lands and Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana (Office Hours: 8 a.m. to 4:30 p.m., Monday through Friday). The public may submit comments to the Coastal Management Section, Attention OCS Plans, Post Office Box 44487, Baton Rouge, Louisiana 70805.

FOR FURTHER INFORMATION CONTACT: Ms. Angie D. Gobert; Minerals Management Service, Gulf of Mexico OCS Region, Field Operations, Plans, Platform and Pipeline Section, Exploration/Development Plans Unit; Telephone (504) 736–2876.

SUPPLEMENTARY INFORMATION: The purpose of this Notice is to inform the public, pursuant to section 25 of the OCS Lands Act Amendments of 1978, that the Minerals Management Service is considering approval of the DOCD and that it is available for public review. Additionally, this Notice is to inform the public, pursuant to § 930.61 of Title 15 of the CFR, that the Coastal Management Section/Louisiana Department of Natural Resources is reviewing the DOCD for consistency with the Louisiana Coastal Resources Program.

Revised rules governing practices and procedures under which the Minerals Management Service makes information contained in DOCDs available to affected States, executives of affected local governments, and other interested parties became effective December 13, 1979 (44 FR 53685).

Those practices and procedures are set out in revised § 250.34 of Title 30 of the CFR.

Dated: June 10, 1987.

J. Rogers Pearcy,

Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 87–13864 Filed 6–17–87; 8:45 am]

BILLING CODE 4310–MR–M

INTERSTATE COMMERCE COMMISSION

[Docket No. AB-12 (Sub-No. 116X)]

Southern Pacific Transportation Co.; Exemption; Abandonment in Wharton and Matagorda Counties, TX

AGENCY: Interstate Commerce Commission.

ACTION: Notice of Exemption.

SUMMARY: The Interstate Commerce Commission exempts Southern Pacific Transportation Company from the requirements of 49 U.S.C. 10903, *et seq.*, to abandon a 23.511-mile line of railroad in Wharton and Matagorda Counties, TX, subject to standard employee protective conditions.

DATES: This exemption will be effective on July 20, 1987. Petitions to stay must be filed by July 6, 1987, and petitions for reconsideration must be filed by July 13, 1987.

ADDRESSES: Send pleadings referring to Docket No. AB-12 (Sub-No. 116X) to:

(1) Office of the Secretary, Case Control Branch, Interstate Commission, Washington, DC 20423

and

(2) Petitioner's representative: Gary A. Laakso, Southern Pacific Building, One Market Plaza, San Francisco, CA 94105

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar, (202) 275-7245.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to T.S. InfoSystems, Inc., Room 2229, Interstate Commerce Commission Building, Washington, DC 20423, or call (202) 289-4357.

Decided: June 10, 1987.

By the Commission, Chairman Gradison, Vice Chairman Lamboley, Commissioners Sterrett, Andre, and Simmons.

Noreta R. McGee,

Secretary.

[FR Doc. 87-13900 Filed 6-17-87; 8:45 am]

BILLING CODE 7035-01-M

DEPARTMENT OF JUSTICE

Consent Decree in Action To Enjoin Discharge of Water Pollutants

In accordance with Departmental Policy, 28 CFR 50.7, 38 FR 19029, notice is hereby given that a consent decree in *United States v. Lee Spring Co.*, Civil Action No. 86-0671, was lodged with the United States District Court for the Eastern District of New York On *June 3,* 1987. The consent decree establishes a compliance program for the New York plant owned and operated by Lee Spring Co. to bring the plant into compliance with the Clean Water Act, 33 U.S.C. 1251 *et seq.*, and the applicable pretreatment regulations relating to the discharge of pollutants and requires payment of a civil penalty of $20,000.00.

The Department of Justice will receive for thirty (30) days from the date of publication of this notice, written comments relating to the consent decree. Comments should be addressed to the Assistant Attorney General, Land and Natural Resources Division, Department of Justice, Washington, DC 20530 and should refer to *United States v. Lee Spring Co.*, D.J. Ref. No. 90-5-1-1-2545.

The consent decree may be examined at the office of the United States Attorney, Eastern District of New York, U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York 11201; at the Region II office of the Environmental Protection Agency, 27 Federal Plaza, New York, New York 10278; and the Environmental Enforcement Section, Land and Natural Resources Division of the Department of Justice. In requesting a copy, please enclose a check in the amount of $1.60 (10 cents per page reproduction charge) payable to the Treasurer of the United States.

F. Henry Habicht II,

Assistant Attorney General, Land and Natural Resources Division.

[FR Doc. 87-13865 Filed 6-17-87; 8:45 am]

BILLING CODE 4410-01-M

NUCLEAR REGULATORY COMMISSION

Houston Lighting and Power Company, et al. and South Texas Project, Unit No. 1; Environmental Assessment and Findings of No Significant Impact

[Docket No. 50-498]

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of a Schedular Exemption from a portion of the requirements of General Design Criterion (GDC) 57 (10 CFR Part 50, Appendix A) to the Houston Lighting and Power Company, acting for itself and for the City of San Antonio (acting by and through the City Public Service Board of San Antonio), Central Power and Light Company, and the City of Austin, Texas (the applicants). The Schedular Exemption would apply to the South Texas Project (STP) Unit 1 located in Matagorda County, Texas. The limited exemption would end after the first refueling outage of the South Texas Project, Unit 1.

Environmental Assessment

Identification of Proposed Action: The Schedular Exemption would permit the applicants to deviate from the requirements of GDC 57 applicable to the Component Cooling Water (CCW) piping system inside containment which serves both the essential and non-essential cooling functions to the Reactor Containment Fan Coolers (RCFC's). In this case, the essential system is CCW piping system associated with providing cooling water to the RCFC's. The non-essential system is the chilled water supply to the RCFC's.

Need for Proposed Action: The proposed Schedular Exemption is needed in order for the applicants to meet the scheduled Unit 1 fuel load date. The applicants would not be required to perform plant modifications immediately which they propose to make so that the relevant CCW system design would be in compliance with GDC 56, and would no longer be covered by GDC 57. The plant modifications would be required to be completed before start-up after the first refueling outage.

The existing containment isolation provides considerable assurance that radioactive material will not escape across the containment boundary in case of an accident. This assurance is based on the fact that the CCW piping within containment is of seismic Category 1 designation and designed to withstand pressures higher than the maximum accident related pressure within containment. The CCW lines to the RCFC's do not connect with the reactor coolant pressure boundary.

A delay of fuel loading is not justified under the circumstances. *Environmental Impact of the Proposed Action:* The proposed Schedular Exemption would not affect the environmental impact of the facility. The likelihood of a breach in the CCW piping is extremely small and would have no significant effect on the overall plant accident risk.

The Schedular Exemption does not otherwise affect radiological plant effluents. Likewise, the relief granted does not affect non-radiological plant effluents, and has no other environmental impact. Therefore, the Commission concludes that there are no significant radiological or non-radiological impacts associated with the Schedular Exemption.

The proposed Schedular Exemption involves design features located entirely within the restricted area as defined in

10 CFR Part 20. It does not affect non-radioactive effluents and has no other environmental impact. Therefore, the Commission concludes that there are no non-radiological impacts associated with this proposed Schedular Exemption.

Since we have concluded that there are no measurable negative environmental impacts associated with this Schedular Exemption, any alternatives would not provide any significant additional protection of the environment. The alternative to the Schedular Exemption would be to require literal compliance with GDC 57 for the duration of the license. This would restrict the onset of plant operation.

Alternative Use Of Resources: This action does not involve the use of resources not previously considered in the Final Environmental Statement (NUREG–1171) for STP, Units 1 and 2.

Agencies and Persons Contacted: The NRC staff reviewed the applicants' request and applicable documents referenced therein that support this Schedular Exemption for STP, Units 1 and 2. The NRC did not consult other agencies or persons.

Finding of No Significant Impact

The Commission has determined not to prepare an environmental impact statement for this action. Based upon the environmental assessment, we conclude that this action will not have a significant effect on the quality of the human environment.

For details with respect to this action, see the request for exemption dated May 15, 1987. This document, utilized in the NRC staff's technical evaluation of the exemption request, is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, DC, and at the Wharton County Junior College, J. M. Hodges Learning Center, 911 Boiling Highway, Wharton, Texas 77488. The staff's technical evaluation of the request will be published with the Operating License (if it is granted) and will also be available for inspection at both locations listed above.

For the Nuclear Regulatory Commission.

Dennis M. Crutchfield,

Director, Division of Reactor Projects, III, IV, V and Special Projects, Office of Nuclear Reactor Regulation.

[FR Doc. 87–13849 Filed 6–17–87; 8:45 am]

BILLING CODE 7590–01–M

[Docket No. 50–458]

Gulf States Utilities Co.; Consideration of Issuance of Amendment to Facility Operating License and Proposed No Significant Hazards Consideration Determination and Opportunity for Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF–47 issued to Gulf States Utilities Company, for operation of the River Bend Station, Unit 1, located in West Feliciana Parish, Louisiana.

The proposed amendment would authorize a one-time schedular extension of up to 43 days to perform the surveillance requirements of Section 4.6.6.2.C of the Technical Specifications regarding the test of the flow rate for each of the primary containment/drywell redundant hydrogen mixing trains. The Technical Specifications presently require that this surveillance be performed at least once per 18 months. The license indicated that the extension of up to 43 days to perform the surveillance would permit the surveillance to be conducted during the forthcoming refueling outage in September 1987. The licensee has committed to perform this surveillance on the current frequency if an outage of sufficient length occurs. This schedular change request is in accordance with the licensee's application for amendment dated March 10, 1987. Additional requests for licensee amendments in the licensee's March 10, 1987 application will be the subject of a separate notice.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in the margin of safety.

Gulf States Utilities Company (GSU) addressed the above three standards in the March 10, 1987 letter.

(1) The proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated because the change in the frequency of flow rate tests is considered within the design specification for the Primary Containment/Drywell Hydrogen Mixing system and the safety analysis. This is supported by the lack of mechanistic means of system flow degradation and the considerable conservatism in the system as designed. Also functional testing successfully conducted six times in the previous 15 months confirms system reliability and functions. This test verifies value operability and flow. Since this proposed change does not involve a design change or physical change to the plant, it does not increase the probability or consequence of any accident previously evaluated.

(2) The proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated because the change in the frequency of flow rate testing, is considered within the design specification for the hydrogen mixing system and the safety analysis, and does not involve a design change or physical change, and therefore does not alter the single failure design. Thus, no new accident scenario is introduced by this revised frequency of flow rate testing.

(3) The proposed change to the surveillance period does not involve a significant reduction in a margin of safety because the change in the frequency testing is considered within the design specification for the hydrogen mixing system and the safety analysis since there is no credible mechanism for degradation of actual capability due to extension of the surveillance interval, this margin of safety should be maintained.

The staff has reviewed the licensee's no significant hazard consideration and agrees with the analysis.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination. The Commission will not normally make a final determination unless it receives a request for a hearing.

Written comments may be submitted by mail to the Rules and Procedures Branch, Division of Rules and Records, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should cite the publication date and page number of the **Federal Register** notice. Written comments may also be delivered to

Room 4000, Maryland National Bank Building, 7735 Old Georgetown Road, Bethesda, Maryland from 8:15 a.m. to 5:00 p.m. Copies of written comments received may be examined at the NRC Public Document Room, 1717 H Street, NW., Washington, DC. The filing of requests for hearing and petitions for leave to intervene is discussed below.

By July 17, 1987, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written petition for leave to intervene. Request for a hearing and petitions for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) The nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to fifteen (15) days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than fifteen (15) days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter, and the bases for each contention set forth with reasonable specificity. Contentions shall be limited to matters within the scope of the amendment under consideration. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If a hearing is request, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

Normally, the Commission will not issue the amendment until the expiration of the 30-day notice period. However, should circumstances change during the notice period such that failure to act in a timely way would result in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish a notice of issuance and provide for opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Att: Docketing and Service Branch, or may be delivered to the Commission's Public Document Room, 1717 H Street NW, Washington, DC, by the above date. Where petitions are filed during the last ten (10) days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at (800) 325–6000 (in Missouri (800) 342–6700). The Western Union operator should be given Datagram Identification Number 3737 and the following message addressed to Jose A. Calvo, Director, Project Directorate—IV, Division of Reactor Projects—III, IV, V and Special Projects: petitioner's name and telephone number; date petition was mailed; plant name; and publication date and page number of this **Federal Register** notice. A copy of the petition should also be sent to the Office of General Counsel, Bethesda, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Troy B. Conner, Jr., Esq., Conner and Wetterhahn, 1747 Pennsylvania Avenue NW., Washington, DC 20006, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board, that the petition and/or request should be granted based upon a balancing of factors specified in 10 CFR 2.714(a)(1(i)–(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated March 10, 1987 which is available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, DC 20555, and at the Government Documents Department, Louisiana State University, Baton Rouge, Louisiana 70803.

Dated at Bethesda, Maryland, this 11th day of June, 1987.

For the Nuclear Regulatory Commission.

Walter A. Paulson,

Project Manager, Project Directorate–IV, Division of Reactors Projects–III, IV, V and Special Projects.

[FR Doc. 87–13848 Filed 6–17–87; 8:45 am]

BILLING CODE 7590–01–M

[Docket No. 50–245]

Northeast Nuclear Energy Company, (Millstone Nuclear Power Station, Unit No. 1); Exemption

I.

Northeast Nuclear Energy Company (NNECO or the licensee) is the holder of Facility Operating License No. DPR–21, which authorizes the operation of the

Millstone Nuclear Power Station, Unit No. 1, (the facility) at the steady-state power levels not in excess of 2011 megawatts thermal. The facility is a boiling water reactor (BWR) located at the licensee's site in New London County, Connecticut. The license provides, among other things, that it is subject to all rules, regulations and orders of the Nuclear Regulatory Commission (the Commission) now or hereafter in effect.

10 CFR 50.49, "Enviornmental qualification of electric equipment important to safety for nuclear power plants" requires that the environmental qualification program at Millstone Unit No. 1 be completed at the end of the second refueling outage following March 31, 1983 (the second refueling outage ended December 23, 1985). Approaching the December 1985 deadline, twenty-eight valve motor operators were the only components remaining to be qualified to achieve full compliance with 10 CFR 50.49. By letters dated September 30, and October 16, 1985, the licensee reported that eleven of these valve operators would be replaced by the end of the 1985 refueling outage (the new qualified motor operators were installed during the October-December 1985 outage), exemption requests for six valves had been submitted and that the remaining eleven valves would require schedule extensions to complete on-going evaluations.

By letter dated December 18, 1985, the staff issued an evaluation that found the six valve motor operators for which a permanent exemption had been requested to be outside the scope of equipment required to be environmentally qualified and the staff concluded that an exemption for these six motor operators was not necessary. The Commission issued a Memorandum and Order to the licensee regarding the deadline for environmental qualification of the eleven valve motor operators at Millstone Unit No. 1, dated November 20, 1985, that granted an extension of the schedule to the next outage of sufficient duration after the staff has made a determination on whether an exemption to 10 CFR 50.49 could be granted, or to the next refueling outage, but in no case later than August 30, 1987.

By letter dated January 17, 1986, the licensee submitted a request for permanent exemption for the eleven valve motor operators based on the criteria of 10 CFR 50.12. Four of the eleven valves (1–LP–15A and B, 1–LP–16A and B) are the drywell spray valves that are located in the containment spray line outside the containment and provide isolation to prevent inadvertent spraying of the drywell. Two valves (1–IC–2, 1–IC–4) are the isolation condenser steam inlet and condensate return isolation valves (the other two isolation condenser isolation valves are already qualified). Two valves (1–CU–2, 1–CU–3) are in the reactor water cleanup system (RWCU) and serve as the inboard and outboard isolation valves on the RWCU suction line. Two valves (1–RR–2A and 2B) are used to isolate the low pressure coolant injection (LPCI) system from a break in the reactor coolant recirculation piping. The last of the eleven valves (1–MW–96A) is an isolation valve between the main condenser hotwell and the condensate storage tank (CST). By letter dated March 12, 1987, the licensee withdrew its exemption request for valves 1–RR–2A and 2B based on discussions with the staff.

By letter dated October 17, 1985, the licensee submitted a probabilistic study summary of this issue derived from the Millstone 1 Probabilistic Safety Study (PSS). The PSS summary investigated the reduction in core melt frequency and public risk if the modifications for environmental qualification for the eleven valves were implemented. For some of the valves, public safety was evaluated by performing sensitivity studies on the PSS interfacing system loss-of-coolant accident (LOCA) analysis. Other valves were not amenable to direct numerical calculations and, therefore, engineering judgment based on insights from the PSS was utilized in assessing the benefit. The licensee's justification for each of the motor operator exemptions is briefly presented below:

(1) Valves 1–LP–15A and B, 1–LP–16A and B

The licensee stated that these valves are normally closed contrainment spray valves located in the reactor building. For a LOCA in the reactor building, which may expose these valves to a harsh environment, the valves are not required. For a design basis LOCA inside containment, the valves are not required to change position, and their qualification is not needed to prevent or mitigate a design basis accident.

(2) Valves 1–IC–2 and 1–IC–4

Valve 1–IC–2 is located in the reactor building on the inlet (steam) side piping of the isolation condenser (IC) system. Valve 1–IC–4 is located inside the drywell on the condensate (water) return line of the IC.

In the letter dated October 17, 1985, the licensee stated that 1–IC–2 is normally open and will receive a close signal if excessive steam flow is detected in the IC piping. If a break occurs in the IC piping in the drywell, closure of 1–IC–2 would not isolate the break. If a break occurs in the IC piping in the reactor building, 1–IC–1 (a fully qualified valve in series with 1–IC–2, but inside containment) should close and thus isolate the break. For this scenario, 1–IC–1 would not be exposed to a harsh environment. The only benefit of environmentally qualifying 1–IC–2 is in case of random failure of 1–IC–1. In that case, operation of 1–IC–2 would isolate the break. However, as estimated by the licensee, qualification of 1–IC–2 would only decrease the core melt probability by 2E–9 per year.

Valve 1–IC–4 is normally open and will clsoe if a high steam flow in the IC piping, is detected. For a break in the IC piping inside the drywell, closure of 1–IC–4 will not isolate the break. If the break occurs in the IC piping outside the drywell, 1–IC–3 (a fully qualified valve in series with 1–IC–4), which is normally closed, would isolate the break. Therefore, the closure of 1–IC–4 is not needed to isolate the break on the return line. The licensee stated that qualification Of 1–IC–4 will provide no benefit for core melt frequency.

(3) Valves 1–CU–2 and 1–CU–3

The RWCU valves 1–CU–2 and 1–CU–3 are normally open valves with both valves in series on the RWCU suction line. Valve 1–CU–2 is the inboard and 1–CU–3 is the outboard isolation valve. These valves will receive a close signal if excessive flow in the RWCU line is detected.

In the letter dated October 17, 1985, the licensee stated that if a break occurs inside the drywell, closing of these valves will have no effect on isolating the break. If a break in the RWCU system occurs outside the drywell, valve 1–CU–2 can isolate the break. Since 1–CU–2 is located inside the draywell, it will not be exposed to a harsh environment due to the break in the reactor building. The only benefit of environmentally qualifying valve 1–CU–3 is in the scenario where valve 1–CU–2 randomly fails. The licensee estimated that qualification of this valve would only reduce the core melt frequency by 4E–7 per year.

(4) Valves 1–RR–2A and 1–RR–2B

The purpose of the reactor coolant recirculation piping valves 1–RR–2A and 1–RR–2B (normally open isolation valves) is to prevent spillage of LPCI flow following a break in either recirculation piping loop. This is achieved by closing the valve in the intact loop as part of LPCI loop selection

logic. If the valve in the loop selected for LPCI injection fails to close, LPCI flow could flow through the recirculation pump and out through the break, thus bypassing the core.

In the letter dated March 12, 1987 the licensee withdrew its exemption request for these valves.

(5) Valve 1-MW-96A

Valve 1-MW-96A is an isolation valve located on the discharge side of the emergency condensate transfer pump which allows transfer of inventory from the CST to the hotwell following initiation of feedwater coolant injection (FWCI) or feedwater. The concern with this valve is over the effect that high radiation that might occur following an accident and fuel damage. For any transient or LOCA, no fuel damage is expected if FWCI or feedwater operation is successful. If there is fuel damage, it implies inoperability of FWCI/feedwater, then environmental qualifications of 1-MW-96A is irrelevant. The licensee stated that qualifying this valve will offer no improvement in core melt frequency.

III.

As stated above, the licensee has requested an exemption from 10 CFR 50.49, "Environmental qualification of electric equipment important to safety for nuclear power plants," for nine valve motor operators and provided supportive justification for each motor operator. In this section, the staff has evaluated the acceptability of these exemption requests based on the estimated risk reduction benefits and system operations described in Section II.

(1) Drywell Spray Valves

The staff has found the licensee's PSS to be generally acceptable. No credit was taken for drywell spray valves 1-LP-15A and B, 1-LP-16A and B in the PSS analysis or in the design basis LOCA analysis. The staff concludes that repositioning of these valves is not required to prevent or mitigate design basis accidents and, therefore, the environmental qualification of these valves would not serve the underlying purpose of 10 CFR 50.49. Also, the staff review in the Systematic Evaluation Program (SEP) found that the isolation provisions supplied by these valves to be acceptable. The staff finds that these valves need not be environmentally qualified, since they perform their safety function (containment isolation) before exposure to a harsh environment.

(2) Isolation Condenser Valves

The staff review regarding 1-IC-4 concludes that environmental qualification of the associated motor operator would not reduce core melt frequency and would not serve the underlying purpose of the rule.

The licensee's equipment qualification (10 CFR 50.49) exemption request for valve 1-IC-2 is based upon a probabilistic argument. Valves 1-IC-1 (motor operator fully qualified) and 1-IC-2 (motor operator not environmentally qualified) are normally open, in series, and would receive a close signal on high flow in the IC system. If a LOCA occurs in the piping between the reactor vessel and 1-IC-1 (inside drywell), neither closure of 1-IC-1 nor 1-IC-2 will isolate the break. If the LOCA were to occur outside containment between 1-IC-2 and 1-IC-3 (NNECO estimates frequency at 4E-7 per year), by 10 CFR 50.49, 1-IC-2 must be assumed to go to its most adverse position (which is "open") since its valve operator is not environmentally qualified and would be subject to a harsh environment. Valve 1-IC-1 is qualified, would not be subject to a harsh environment, and should close. There is, however, a chance that 1-IC-1 would also fail to close (estimated at 5E-3 per demand by the licensee). This would result in a non-isolable LOCA outside containment. NNECO's core melt frequency (CMF) estimate of a LOCA between these valves and 1-IC-1 not closing (which represents the maximum CMF reduction if 1-IC-1 not closing (which represents the maximum CMF reduction if 1-IC-2 is qualified) is 2E-9 per year. NNECO states that this value is so small compared to the overall estimated core melt frequency at Millstone 1, that the motor operator for 1-IC-2 need not be replaced in order to meet the underlying purpose of 10 CFR 50.49.

This argument's validity is based in part on the reasonableness of the 4E-7 per year LOCA frequency used by NNECO (the staff originally used one about an order of magnitude higher). However, the staff now believes these LOCA frequencies may be lower bound numbers for Millstone Unit 1 since the isolation condenser line between 1-IC-2 and 1-IC-3 has been subject to water hammer events and intergranular stress corrosion cracking (IGSCC) in the past. There is insufficient assurance that these events will not reoccur. The staff finds the licensee's estimated core melt frequency reduction from replacing the motor operator on valve 1-IC-2 to be too low and the uncertainty to be high as to what the frequency should be for a LOCA between valves 1-IC-2 and 1-IC-3.

The staff concludes that the estimated reduction of core melt frequency associated with providing an environmentally qualified motor operator for 1-CI-2 is large enough and has enough uncertainty that the underlying purpose of 10 CFR 50.49 would not be met unless a qualified operator were provided. The staff, therefore, concludes that the 10 CFR 50.49 exemption request for 1-IC-2 should be denied.

(3) Reactor Water Cleanup System Valves

The staff review of the PSS summary for these valves found the licensee's analysis method acceptable and agreed with the conclusions. The staff estimates no reduction in core melt frequency if 1-CU-2 and 1-CU-3 are qualified for high radiation/aging. The staff believes that an RWCU system LOCA will not prevent valves 1-CU-2 and 1-CU-3 from performing their containment isolation functions. The licensee conservatively assumed 1-CU-3 will always fail in the open position in the event of an RWCU LOCA outside containment. Estimating an RWCU LOCA frequency of 2E-6 per year and a demand failure probability of 0.11 and 0.07 for 1-CU-2 and 1-CU-3, respectively, the licensee estimates that qualifying 1-CU-3 will reduce the estimated core melt frequency by 3E-7 per year. The staff concludes that qualifying these valves for a high radiation environment is not necessary to ensure the equipment will function to mitigate a design basis event since the valves will automatically isolate before the core can be uncovered. Therefore, environmental qualification would not serve the underlying purpose of 10 CFR 50.49.

(4) LPCI Loop Selection Valves

The licensee has withdrawn its exemption request from 10 CFR 50.49 for valves 1-RR-2A and 1-RR-2B following discussions with the staff.

(5) Condensate Transfer Valve

The staff finds that valve 1-MW-96A is not required to perform any safety function for a design basis event. On this basis, 10 CFR 50.49 does not require qualification of this valve for a radiation (or any other harsh) environment. The staff finds valve 1-MW-96A to be

outside the scope of equipment required to be environmentally qualified and, therefore, no exemption from 10 CFR 50.49 is necessary.

IV.

Accordingly, the Commission has determined that, except for valve 1–IC–2 and valve 1–MW–96A pursuant to 10 CFR 50.12(a)(i) the exemption requested by the licensee's letter of January 17, 1986, as modified by licensee's letter dated March 17, 1987, is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. In addition, the Commission has determined that, pursuant to 10 CFR 50.12(a)(2)(ii), special circumstances are present for this exemption in that application of the regulation in the particular circumstances is not necessary to achieve the underlying purposes of the rule as set forth above. The Commission hereby grants to the licensee an exemption from the qualification requirements of 10 CFR 50.49 with respect to seven of the requested nine valve motor operators identified above. The request with respect to valve 1–MW–94A is unnecessary and the request with respect to valve 1–IC–2 is denied.

Pursuant to 10 CFR 51.32, the Commission has determined that the issuance of the exemption will have no significant impact on the environment (May 26, 1987 52 FR 19612).

A copy of the Safety Evaluation, dated June 8, 1987, related to this action is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, DC and at the local public document room located at the Waterford Public Library, 49 Rope Ferry Road, Waterford, Connecticut 06385. A copy may be obtained upon written request addressed to the U. S. Nuclear Regulatory Commission, Washington, DC 20555. Attention: Director Division of Reactor Projects III/IV/V and Special Projects.

This Exemption is effective upon issuance.

Dated at Bethesda, Maryland, this 8th day of June, 1987.

For the Nuclear Regulatory Commission.

Dennis M. Crutchfield,

Director Division of Reactor Projects III/IV/V and Special Projects, Office of Nuclear Reactor Regulation.

[FR Doc. 87–13846 Filed 6–17–87; 8:45 am]

BILLING CODE 7590–01–M

OFFICE OF PERSONNEL MANAGEMENT

Federal Employees Retirement System; Normal Cost Percentages

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: The Office of Personnel Management (OPM) is providing notice of revised normal cost percentages for employees covered by the Federal Employees Retirement System (FERS) Act of 1986.

DATES: Revised normal cost percentages effective at the beginning of the first pay period commencing on or after October 1, 1987.

Agency appeals of the normal cost percentages must be filed no later than December 18, 1987.

ADDRESSES: Send or deliver agency appeals of the normal cost percentages to the Board of Actuaries, care of Jean M. Barber, Associate Director for Retirement and Insurance, Office of Personnel Management, Room 4A10, 1900 E Street, NW., Washington, DC 20415.

Send requests for actuarial assumptions and data to the Office of the Actuary, Room 4307 STOP, Office of Personnel Management, Washington, DC 20415.

FOR FURTHER INFORMATION CONTACT: Harold L. Siegelman, (202)–632–5560.

SUPPLEMENTARY INFORMATION: The FERS Act of 1986, Pub. L. 99–335, created a new retirement system for some Federal employees. Section 8423 of title 5, United States Code, s added by the FERS Act of 1986, provides for the payment of the Government's share of the cost of the retirement system under FERS. Employees contributions are established by law and constitute only a small fraction of the cost of funding the retirement system; employing agencies are required to pay the remaining costs. The amount of funding required, known as "normal cost," is the entry age normal cost of the provisions of FERS that relate to the Civil Service Retirement Fund (Fund). The normal cost must be computed by OPM in accordance with generally accepted actuarial practice and standards (using dynamic assumptions). Subpart D of Part 841 of Title 5, Code of Federal Regulation, regulates determining normal costs.

The Board of Actuaries of the Civil Service Retirement System has changed its economic assumptions. See 5 CFR 841.405. The economic assumptions are—

	Before change (percent)	Revised (percent)
Rate of inflation	5	5
General salary increases	5.5	5
Interest	6.5	7

Based on these economic assumptions, OPM has determined the normal cost percentage for each category of employees under § 841.403 of Title 5, Code of Federal Regulations, is as follows:

The Government-wide cost percentages, including the employee contributions, are—

Members	20.9
Congressional employees	20.9
Law enforcement officers, firefighters, and employees under section 302 of the Central Intelligence Agency Act of 1964 for Certain Employees	26.7
Air traffic controllers	28.4
Military reserve technicians	13.7
Employees under section 303 of the Central Intelligence Agency Act of 1964 for Certain Employees (when serving abroad)	19.0
All other employees	13.8

Under § 841.408 of Title 5, Code of Federal Regulations, these normal cost percentages are effective at the beginning of the first pay period commencing on or after October 1, 1987.

OPM has an abundance of data on the general category of employees and used such data in calculating the normal cost for the group. Complete sets of data for the special categories has not previously been collected. For these groups, the best available data have been utilized and mechanisms have been put in place to capture the data on a systematic basis in the future.

Information about the data and assumptions used in calculating these normal cost percentages is available *upon written request* to the address for such requests provided in the **ADDRESSES** section of this notice document. All requests must be made in writing. Telephone requests will not be accepted.

The time limit and address for filing agency appeals under §§ 841.409 through 841.412 of Title 5, Code of Federal Regulations, are stated in the **DATES** and **ADDRESSES** sections of this notice.

Office of Personnel Management.
Constance Horner,
Director.
[FR Doc. 87-13945 Filed 6-17-87; 8:45 am]
BILLING CODE 6325-01-M

PACIFIC NORTHWEST ELECTRIC POWER AND CONSERVATION PLANNING COUNCIL

Columbia River Basin Fish and Wildlife Program, Proposed Amendments Regarding Rock Island Dam; Hearings and Public Comment Period

AGENCY: Pacific Northwest Electric Power and Conservation Planning Council.

ACTION: Notice of proposed amendments, hearings and opportunity to comment.

SUMMARY: On November 15, 1982, the Pacific Northwest Electric Power and Conservation Planning Council (the Council) adopted a Columbia River Basin Fish and Wildlife Program (fish and wildlife program). The fish and wildlife program has been amended on several occasions since then. The Council is proposing again to amend the fish and wildlife program, to resolve differences between the fish and wildlife program and a settlement agreement regarding fish protection and mitigation measures at Rock Island Dam, in the mid-Columbia area of Washington. The proposed amendment of the fish and wildlife program is being released for public review and comment and public hearings will be held. This notice describes the proposed amendments; provides information on how to obtain additional information, including copies of the draft amendment document; and outlines the process for submitting written comments and participating in the hearings.

DATES AND ADDRESSES: The public comment period regarding the proposed amendments closes at 5 p.m., July 15, 1987. Public hearings on the proposed amendments will be held in:

- Portland, Oregon, on June 23, 1987, at the Council's central offices, 850 S.W. Broadway, at 1:00 p.m.;
- Boise, Idaho, on June 30, 1987, at the Council's offices, 3rd Floor, Towers Building, 450 W. State Street, at 1:30 p.m.;
- Helena, Montana, on July 1, 1987, at the Council's offices, 1301 Lockey, First Floor Conference Room, at 1:00 p.m.
- Seattle, Washington, on July 1, 1987, at the Mayflower Park Hotel, Green Room, 405 Olive Way, at 1:00 p.m.

Instructions for Oral Comment at Hearings

1. Requests for time slots must be made at least five days prior to the hearings. Contact Ruth Curtis, information coordinator, at the Council's central office, 850 S.W. Broadway, Suite 1100, Portland, Oregon 97205 or (503) 222-5161 (toll free 1-800-222-3355 in Idaho, Montana and Washington or 1-800-452-2324 in Oregon).
2. Those who do not sign up for time slots will be permitted to testify as time permits.
3. Hearings should be used to summarize written comments. Comments should not be read. Comments should be limited to the draft amendment document.
4. If possible, ten copies of hearing testimony should be submitted to the Council recorder at the hearings. This person will be sitting at a table near the Council members. (See instructions for written comment).
5. Those persons officially representing an organization will have 15 minutes to summarize their written testimony. (Organizations may have only one official representative.) All other individuals will be limited to five minutes. These time limits will be observed strictly in order to allow parties to testify.
6. The Council may ask questions for clarification. If so, this will be over and above the time limits imposed above.
7. A written record of each hearing will be made. Appearance at more than one hearing is unnecessary. Scheduling preference will be given to individuals and groups which have not testified at other hearings.

Instructions for Written Comment

1. Comments should be limited to the proposed amendment and must be received in the Council's central office, 850 S.W. Broadway, Suite 1100, Portland, Oregon 97205 by 5 p.m. on July 15, 1987. Comments received after that time will not be considered.
2. Written comments should be marked "Rock Island Comments."
3. Comments should be specific and concise. Alternative language should be submitted if a change is being proposed.
4. A marked up copy of the proposed amendment (or the appropriate section) indicating suggestions or revisions may be submitted. Suggested deletions should be lined out and placed in parentheses. Suggested new language shuld be underlined.
5. All comments should be typed, if possible, and double spaced. It would also be helpful if a separate page were prepared for comments on each proposed amendment or rejection. Provide ten copies of all comments, if possible.

One copy each of the proposed amendment, together with pertinent provisions of the settlement agreement, may be obtained free of charge by contacting Ruth Curtis at the Council's address and telephone above.

FOR FURTHER INFORMATION CONTACT: Dulcy Mahar, director of public information and involvement, 850 SW Broadway, Suite 1100, Portland, Oregon 97205 (toll-free 1-800-222-3355 in Idaho, Montana and Washington; toll-free 1-800-452-2324 in Oregon; or 503-222-5161).

SUPPLEMENTARY INFORMATION: On November 15, 1982, as required by the Pacific Northwest Electric Power Planning and Conservation Act, Pub. L. 96-501, 94 Stat. 2697, 16 U.S.C. 839 *et seq.* (the Act), the Council adopted a Columbia River Basin Fish and Wildlife Program. The Act allows the Council to amend its program from time to time.

For approximately ten years, Rock Island Dam (together with four other public utility district dams on the Columbia) has been involved in a Federal Energy Regulatory Commission (FERC) proceeding to determine appropriate fish mitigation measures for the dam. An extensive record has been developed in the proceeding, including testimony and exhibits based on data, scientific analysis, and expert opinion. The record addresses in detail the biological benefits and costs of bypass systems, spill, and hatcheries. The record is on file at the Council's central office, and will be made available for review on request.

In May 1987, the parties [1] to the Rock Island relicensing and mid-Columbia FERC proceedings [2] filed with FERC a settlement agreement. In some respects, the settlement agreement differs from the Council's fish and wildlife program. In summary, the differences are:

- Both the fish and wildlife program and the settlement call for the development and evaluation of prototype collection and bypass systems. *See* program Section 403(a)(2)(A); Settlement Agreement Section B. The settlement agreement provides alternative procedures for developing and evaluating collection

[1] Chelan PUD No. 1, Puget Sound Power & Light Co., the Colville Confederated Tribes, the National Marine Fisheries Service, the National Wildlife Federation, the Oregon Department of Fish and Wildlife, the Confederated Tribes of the Umatilla Indian Reservation, the Washington Departments of Fisheries and Game and the Confederated Tribes of the Yakima Indian Nation.

[2] Project No. 943, and docket No. F-9569 et al.

and bypass systems (section B.12). Bypass systems may be installed under the settlement agreement only if tests show they would satisfy certain performance and cost criteria, or by agreement of the parties (section B.5). A "Fisheries Conservation Account" valued at $2.05 million (1986 dollars) would be established if bypass could not be installed, or at the option of the fishery agencies and tribes, the account could be used by the fishery agencies and tribes who are parties to the agreement, to conduct further bypass studies and to purchase spill (section C).

• The fish and wildlife program calls for the project to use best efforts to provide spill comparable to the best available bypass system and, unless the Council is satisfied that the project achieves at least 90 percent smolt survival, to spill at least 20 percent of the average daily flow for any 30 of 60 days when smolts are present (program section 403(a)(10)). Under the settlement agreement, different levels of spill would be provided at the dam's two powerhouses: 50 percent of the daily average flow through the first powerhouse and 10 pecent of the daily average flow through the second powerhouse (section D). Until construction of a hatchery (described below), at least 20 percent of the average daily flow would be spilled (section D.2(a)). The spill program is to extend over 80 percent of the spring migration (Id.). If the Fisheries Conservation Account is established, spring spill levels would be determined by the fishery agencies and tribes based on current market conditions, and charged to the Account.

• The fish and wildlife program does not provide for summer spill. Under the settlement agreement, summer spill would be studied and if found 75 percent as effective as a 1984 study of spring spill, a summer spill program using 500,000 acre feet of water would be implemented (section D.2(b) (c)). If the Fisheries Conservation Account is established, summer spill levels would be determined by the fishery agencies and tribes based on current market conditions, and charged to the Account.

• The fish and wildlife program does not provide for a hatchery in the mid-Columbia area. Under the settlement agreement, a mid-Columbia hatchery and satellite facilities capable of producing 250,000 pounds of juvenile salmon would be constructed. In 1987, the parties would prepare plans and conduct studies for the hatchery and construction would be completed in 1988–89 (section E). In future years, production would be adjusted based on actual losses and then-current run sizes.

• The fish and wildlife program calls for studies and development of fishways (ladders) for adult fish (program section 604(b)(1)). The settlement establishes operating criteria and calls for fishway modifications (Section F).

The Council voted at its May 13, 1987, meeting in Wenatchee, Washington, to invite the parties to submit an application to amend the program. At the same meeting, the Council heard a presentation from the parties to the settlement and has submitted comments on the settlement to the Federal Energy Regulatory Commission.

The amendment application proposes that the program be amended to incorporate the features of the settlement agreement described above. Sections B (bypass development), C (Fisheries Conservation account), D (spill), E (hatchery development) and F (adult fish ladders) of the settlement agreement would be incorporated into the fish and wildlife program by reference and the program's current provisions regarding Rock Island Dam would be eliminated. The proposed admendments also would provide that the parties will coordinate the development of the hatchery with the Council's system and subbasin planning processes (program section 204(d)). If these changes were adopted, the Council would make corresponding changes in the program's Action Plan.

Copies of pertinent provisions of the agreement are being sent to those on the Council's fish and wildlife mailing list. If you do not receive a copy of these provisions, you may request one free of charge from the Council.

Council approval of release of this document does not constitute final Council endorsement of it. It simply represents a Council decision to seek public review of and comment on the proposals. The Council will consider all oral and written testimony before making a final decision on the amendments. All comments, written and oral, will become part of the Council's administrative record and will be available for public review in the Public Reading Room of the Council's central office, Suite 1100, 850 S.W. Broadway, Portland, Oregon 97205, weekdays between 8:30 a.m. and 5 p.m.

Edward Sheets,

Executive Director.

[FR Doc. 87–13882 Filed 6–17–87; 8:45 am]

BILLING CODE 0000–00–M

Procedures for Giving Notice of Meetings and Actions; Comment Opportunity

AGENCY: Pacific Northwest Electric Power and Conservation Planning Council (Northwest Power Planning Council).

ACTION: Proposed policy and opportunity for comment.

SUMMARY: The Northwest Power Planning Council proposes the following procedures for giving notice of its meetings and actions.

DATES: Comments must be submitted on or before July 31, 1987.

FOR FURTHER INFORMATION CONTACT: Copies of this notice and the procedures may be obtained by contacting Dulcy Mahar, Director of Public Information and Involvement, at Northwest Power Planning Council, 850 SW. Broadway, Suite 1100, Portland, Oregon 97205, or at (503) 222–5161, or (toll-free) 1–800–222–3355 (in Montana, Idaho or Washington) or 1–800–452–2324 in Oregon.

SUPPLEMENTARY INFORMATION:

Background

a. Meeting Notices

Section 4(a)(4) of the Northwest Power Act requires the Council to observe the federal laws relating to open meetings and advisory committees "to the extent appropriate". Both the open meetings law (5 U.S.C. 552b(e)(3)) and the advisory committee law (5 U.S.C. Appendix I, 1–4) require that meeting notices be published in the **Federal Register.**

The question now before the Council is: "Is publishing notice of Council and advisory committee meetings in the **Federal Register** *appropriate* notice?" The experience to date suggests that there are other means by which the Council can give interested parties more effective and timely notice.

The **Federal Register** typically does not reach the Northwest until 4–7 days after its publication. In the usual case, about 10 days pass from the time the Council staff sends the notice until the printed notice is received at the offices of interested parties. It also appears that few of the persons likely to be interested in Council actions actually receive the **Federal Register.**

Most persons interested in the Council seem to rely on Council publications for notice of Council meetings. *Update!*, a short newsletter about the latest Council activities, is now published monthly and includes a meeting schedule for the Council and its advisory committees. Approximately 15,000 individuals and

organizations are on the mailing list to receive copies of *Update!* and the Council's agenda for each meeting. In addition to these general mailing lists, the Council also maintains a separate mailing list for each advisory committee.

Because the Council's publications already are the primary source of notice for persons interested in the Council reliance on them for official notice of Council and advisory committee meetings appears to be an appropriate departure from the law applicable to federal agencies.

B. Rulemaking Notices

The Northwest Power Act requires that the Council follow the informal hearing process of the federal Adminstraive Procedure Act in some instances, but does not specifically require that the Council publish rulemaking notices or final rules in the **Federal Register**. Section 9(e)(15) of the Act, however, assumes that some notice of final actions affecting the power plan or fish program will appear in the **Federal Register**, since publication in the **Federal Register** starts the 60-day challenge period for such actions.

In the past, the Council has often published the entire text of proposed amendments to the plan or program and the text as finally adopted. If an amendment is lengthy, publishing it in its entirety in the **Federal Register** can prove very costly. More recently, the Council has simply published a short summary of the proposed amendment, and a short summary of the final amendment as adopted, with a notice advising interested parties that the full text is available from the Public Information and Involvement division.

It appears to be useful to publish at least summary notices of the beginning and conclusion of amendment proceedings in the **Federal Register**, so that there is a permanent record of the Council's activities. The notice also offer a uniform means for triggering the period of time in which actions seeking review of Council decisions must be filed.

Proposed Notice Procedures

The Council proposes to use the following procedures for handling the publication of notices for Council meetings, meetings of the Council's advisory committees and the initiation and conclusion of plan and program amendment proceedings.

Meeting Notices

1. Notice of the date, time, and place, of all regularly scheduled Council and advisory committee meetings will appear monthly in *Update!* at least seven days prior to the date of the meeting, together with a notice stating that copies of the meeting agendas are available by calling the Council's toll-free numbers.

2. Together with the meeting notices, *Update!* will inform its readers that the meeting schedule and agendas are subject to change and that persons desiring to confirm meeting dates or to confirm that a particular item will be considered at a meeting should call the Council's toll-free telephone numbers.

3. In the event that a meeting date is moved or canceled or a new meeting is scheduled, and the change in schedule will occur before the next issue of *Update!* will reach the subscribers, notice of the change will be mailed to interested parties. Notice of changes in Council meetings will be mailed at the earliest practicable time to all parties who are on the mailing list for Council agendas. Notice of changes in advisory committee meetings will be sent to all parties who are on the mailing list for the advisory committee. If there is no reasonable likelihood that notice of the change in schedule will reach interested parties by mail prior to the change in schedule, notice will be given by the most practical alternative means.

4. Whenever a new advisory committee is formed, or an existing advisory committee has its charter extended, a notice will appear in the next issue of *Update!* acknowledging the creation or extension of the committee, and stating that those persons who want to be informed of the meeting schedule for the committee should contact the Public Information and Involvement Division.

5. At least once a year, the Council will publish in the **Federal Register** a notice including the names of each of the advisory committees and stating that notices of the meeting schedules for the Council and its advisory committees may be obtained from the Public Information and Involvement Division.

Notice of Plan or Program Amendments

1. At the beginning of each proceeding to amend the Power Plan or Fish and Wildlife Program, the Council will publish in the **Federal Register** a notice containing a summary of the nature of the proposed amendment.

2. Upon adoption of a final amendment, the Council will publish in the **Federal Register** a notice containing a summary of the amendment as adopted.

Public Involvement

1. In addition to the notices described above in this notice procedure, the Council will continue to encourage widespread public involvement in its decision-making process through use of the media and Council publications.

Edward Sheets,

Executive Director.

[FR Doc. 87-13758 Filed 6-17-87; 8:45 am]

BILLING CODE 0000-00-M

SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; Applications for Unlisted Trading Privileges and of Opportunity for Hearing; Cincinnati Stock Exchange, Inc.

June 12, 1987.

The above named national securities exchange has filed applications with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the following stock:

United Industrial Corp.

Common Stock, $1.00 Par Value (File No. 7-0218)

This security is listed and registered on one or more other national securities exchange and is reported in the consolidated transaction reporting system.

Interested persons are invited to submit on or before July 6, 1987 written data, views and arguments concerning the above-referenced applications. Persons desiring to make written comments should file three copies thereof with the Secretary of the Securities and Exchange Commission, Washington, DC 20549. Following this opportunity for hearing, the Commission will approve the applications if it finds, based upon all the information available to it, that the extensions of unlisted trading privileges pursuant to such applications are consistent with the maintenance of fair and orderly markets and the protection of investors.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13942 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15803; 812-6580]

Benjamin Franklin Financial Corporation; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Benjamin Franklin Financial Corporation ("Applicant").

Relevant 1940 Act Sections: Exemption requested under section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant seeks an order amending an existing order (Investment Company Act Release No. 15216, July 23, 1986) exempting Applicant from all provisions of the 1940 Act in connection with its proposed issuance of collateralized mortgage obligations. The present order permits Applicant to issue Bonds rated by two nationally recognized statistical rating agencies. Applicant now seeks an order that would permit it to issue Bonds rated by one or more nationally recognized statistical rating agencies.

Filing Date: The application was filed on December 29, 1986.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Benjamin Franklin Financial Corporation, 6200 Meadowood Mall Circle, Suite 1145, Reno, Nevada 89502.

FOR FURTHER INFORMATION CONTACT: Paul J. Heaney at (202) 272-2847, or Special Counsel Karen L. Skidmore, (202) 272-3023, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person, or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300).

Applicant's Representations

1. Applicant is a direct, wholly-owned limited purpose finance subsidiary of Benjamin Franklin Savings Association, a Texas chartered savings and loan association, which in turn is a wholly-owned subsidiary of Security Capital Corporation, a publicly held savings and load holding company registered under the National Housing Act.

2. Applicant's activities will be limited to (i) issuing and selling debt securities (A) rated in the highest bond rating category of at least one nationally recognized statistical rating agency and (b) secured by any combination of (1) certificates issued or guaranteed by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") evidencing interests in pools of mortgage loans secured by liens on one- to four-family residential properties (collectively, "Federal Mortgage Certificates"); (2) certificates issued by private entities evidencing interest in pools of mortgage loans secured by liens on one- to four-family residential properties ("Private Mortgage Certificates") (Federal Mortgage Certificates and Private Mortgage Certificates collectively, "Mortgage Certificates"); and (3) whole mortgage loans secured by liens on one- to four-family residential properties ("Mortgage Loans") (Mortgage Certificates and Mortgage Loans collectively, "Mortgage Collateral") and (ii) acquiring, owning, holding, pledging and otherwise dealing with Mortgage Collateral and (iii) activities incidental to the foregoing. Applicant will not otherwise trade or deal in securities or engage in any other activity.

3. The Applicant proposes to issue and sell, in series, collateralized mortgage obligations ("Bonds"). Each series of Bonds will be registered under the Securities Act of 1933 ("Securities Act") unless an appropriate exemption is available for such registration, and will be issued pursuant to an indenture ("Indenture") qualified under the Trust Indenture Act of 1939.

4. The Bonds will be secured (i) by Mortgage Collateral purchased with the proceeds of the sale of such Bonds, all such Mortgage Collateral to be assigned and physically delivered to the trustee (the "Trustee") under the Indenture, (ii) by the monthy distributions received on such Mortgage Collateral and, to the extent necessary to secure regularly scheduled payments on the Bonds, by the income derived from the reinvestment of such distributions, and (iii) by the reserve funds, if any, deposited with the Trustee (Mortgage Collateral, distributions and reserve funds collectively, "Bond Collateral"). The Trustee will have a first priority perfected security or lien interest in the Bond Collateral pledged to secure the Bonds.

5. Mortgage Certificates in the Mortgage Collateral portfolio will consist of Mortgage Certificates representing the entire issue of a particular underlying mortgage pool ("Whole-Pool Mortgage Certificates") and Mortgage Certificates representing an undivided fractional interest in an underlying mortgage pool ("Partial-Pool Mortgage Certificates"). At the date of issuance, each portfolio of Mortgage Collateral will have an outstanding principal balance in excess of the principal amount of the related series of Bonds. With respect to any series of Bonds, Applicant may reserve a limited right to substitute and pledge new Mortgage Collateral.

6. Scheduled distributions on the Mortgage Collateral together with the reinvestment earnings on such distributions (at the assumed rate of return specified in the Indenture) will be sufficient to make timely payments of interest and principal on the related series of Bonds. The assumed rate of interest for a series of Bonds will be the maximum rate permitted by at least one nationally recognized statistical rating agency ("SRO") as a condition to rating such series of Bonds in its highest bond rating category. Distributions on the Mortgage Collateral will be invested in either U.S. Government obligations or certain other instruments acceptable to the SRO rating the Bonds and such investments will mature on or prior to the next payment date for the related series of Bonds, which will occur no less frequently than semi-annually. The Mortgage Collateral pledged as security for one series of Bonds will serve as collateral only for that series of Bonds.

7. The Bonds may be subject to redemption by Applicant under the circumstances set forth in the prospectus supplement for each series of Bonds. The Bonds will not be redeemable at the option of the bondholders.

8. It is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of that Act that Applicant be exempted from the requirements of the 1940 Act so long as it conducts its business in the manner described. Since the Bonds will have fixed interest rates, they will not be convertible into any

other obligation of the Applicant (or any other person), they will not be redeemable by bondholders, and they will not otherwise grant bondholders any equity interest in the Mortgage Collateral pledged as security for such Bonds, the debt obligations proposed to be issued do not raise the problems of inequitable pricing, excessive or hidden sales loads or churning of accounts. Applicant asserts that it cannot affect the timely payment of a series of Bonds, since, under the Indenture, the portfolio of Mortgage Collateral must be physically delivered to the Trustee or an independent custodian immediately following the issuance of a series of Bonds and thereafter substitutions may be permitted only to a limited extent. In addition, distributions received on the Mortgage Collateral and the reinvestment income thereon will, pursuant to the Indenture, be paid directly to the Trustee.

9. Any distinction between Whole-Pool Mortgage Certificates and Partial-Pool Mortgage Certificates is irrelevant insofar as investment in the Bonds is concerned. Each Mortgage Certificate evidences a fractional undivided interest in the underlying pool of mortgages and payments with respect to such mortgages are passed through pro rata to the Mortgage Certificates by the issuer, or, in the case of default on Federal Mortgage Certificates, by GNMA, FNMA or FHLMC, as appropriate. A holder of Bonds collateralized by Partial-Pool Mortgage Certificates has exactly the same investment experience as a holder of Bonds collateralized by Whole-Pool Mortgage Certificates.

10. Granting the application is appropriate in the public interest because it increases the financing available for residential housing. Collateralized mortgage obligations (such as the Bonds) attract new, lower cost capital to the residential mortgage market, increase the liquidity of the primary and secondary mortgage markets, and give thrift institutions and home builders greater flexibility in the types of mortgages they can offer. Applicant agrees to first seek to obtain and pledge newly issued Mortgage Certificates as collateral for each series of Bonds. However, to the extent the use of newly issued Mortgage Certificates is impracticable in light of price or availability, Applicant will obtain and pledge other Mortgage Collateral to fully collateralize a series of Bonds.

Applicant's Conditions

Applicant agrees that if an order is granted it will be expressly conditioned upon the following conditions:

1. Each series of Bonds will be registered under the Securities Act, unless offered in a transaction exempt from registration pursuant to section 4(2) of the Securities Act.

2. The Bonds will be "mortgage related securities" within the meaning of section 3(a)(41) of the Securities Exchange Act of 1934, as amended. In addition, the Mortgage Collateral underlying the Bonds will be limited to: Mortgage Loans, Private Mortgage Certificates, GNMA Certificates, FNMA Certificates or FHLMC Certificates.

3. New Mortgage Loans may be substituted for Mortgage Loans initially pledged as Mortgage Collateral only in the event of default, late payments or defect in the Collateral being replaced. New Private Mortgage Certificates may be substituted for Private Mortgage Certificates initially pledged as Mortgage Collateral only in the event of default, late payments or defect in the Collateral being replaced. If new Mortgage Collateral is substituted, the substitute Collateral must (i) be of equal or better quality then the Collateral replaced; (ii) have similar payment terms and cash flow as the Collateral replaced; (iii) be insured or guaranteed to the same extent as the Collateral replaced; and (iv) meet the conditions set forth in paragraphs 2, 4, and 6 hereof. In addition, new Mortgage Collateral may not be substituted for more than 20% of the aggregate face amount of the Mortgage Loans initially pledged as Mortgage Collateral or for more than 40% of the aggregate face amount of the Mortgage Certificates initially pledged as Mortgage Collateral. In no event may any new Mortgage Collateral be substituted for any substitute Mortgage Collateral.

4. All Mortgage Loans, Mortgage Certificates, funds, accounts or other Collateral securing a series of Bonds will be held by the Trustee or on behalf of the Trustee by an independent custodian ("Custodian"). The Custodian may not be an affiliate (as the term "affiliate" is defined in Securities Act Rule 405, 17 CFR 230.405) of the Applicant or of the master servicer or originating lender of any Mortgage Loans that are pledged as Mortgage Collateral. If there is no master servicer, no servicer of those Morgage Loans may be an affiliate of the Custodian. The Trustee will have a first priority perfected security or lien interest in and to all Bond Collateral.

5. Each series of Bonds will be rated in the highest bond rating category by at least one nationally recognized statistical rating organization that is not affiliated with the issuer of the securities. The Bonds will not be redeemable securities within the meaning of section 2(a)(32) of the 1940 Act.

6. The master servicer of any Mortgage Loans pledged as Mortgage Collateral may not be an affiliate of the Trustee. If there is no master servicer, no servicer of those Mortgage Loans may be an affiliate of the Trustee. Any master servicer and servicer of a Mortgage Loan will be approved by FNMA or FHLMC as an "eligible seller/servicer" of conventional, residential mortgage loans. The agreement governing the servicing of such Mortgage Loans shall obligate the servicer to provide substantially the same services with respect to the Mortgage Loans as it is then currently required to provide in connection with the servicing of Mortgage Loans insured by the Federal Housing Administration, guaranteed by the Veterans Administration or eligible for purchase by FNMA or FHLMC.

7. No less often than annually, an independent public accountant will audit the books and records of the Applicant and in addition will report on whether the anticipated payments of principal and interest on the Mortgage Collateral continue to be adequate to pay the principal and interest on the Bonds in accordance with their terms. Upon completion, copies of the auditor's report(s) will be provided to the Trustee.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13885 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC—15807; 811-2974]

Cirfico Holdings Corporation; Application for Deregistration

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Cirfico Holdings Corporation.

Relevant 1940 Act Section: Section 8(f).

Summary of Application: Applicant seeks an order declaring that it has ceased to be an investment company.

Filing Dates: The application was filed on September 13, 1985 and

amended on March 19, 1987 and May 8, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street NW., Washington, DC 20549. Applicant, c/o Cirfico Holdings Corporation Liquidating Trust, Cadwalader, Wickersham & Taft, 100 Maiden Lane, New York, New York 10038.

FOR FURTHER INFORMATION CONTACT: Paul J. Heaney, (202) 272–2847, or Special Counsel Curtis Hilliard, (202) 272–3026, Office of Investment Company Regulation.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person, or the SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300).

Applicant's Representations

1. Applicant is a corporation organized under the laws of the State of Delaware and it filed a Certificate of Dissolution pursuant to Delaware State law on June 28, 1984, and, accordingly, is in dissolution under the laws of Delaware. The Applicant had filed a registration statement, with respect to securities issued by the Applicant, pursuant to the Securities Act of 1933 in April 1972, covering 332,660 shares of its common stock. Such registration statement became effective on April 15, 1972 and the initial public offering commenced on that date. The Applicant was registered as a closed-end, non-diversified management investment company under the 1940 Act on December 14, 1979.

2. On March 12, 1984, the Board of Directors of the Applicant authorized the liquidation of Applicant, approved a Plan of Dissolution and Liquidation (the "Plan") and authorized submission of the same to securityholders. Proxy solicitation material dated April 17, 1984, was distributed to securityholders and a meeting was held on May 14, 1984 to authorize the adoption of the Plan. Shareholders constituting 77.22 percent of the outstanding shares of common stock of Applicant approved the Plan.

3. Liquidating distributions totaling $9.50 per share of common stock were paid in cash to securityholders on June 18, 1984, and May 5, 1985. It is intended that an additional distribution of $1.05 per share will be paid about June 1, 1987. Effective as of May 5, 1985, the Applicant transferred its assets not distributed in liquidation, subject to all liabilities of the Applicant, to a liquidating trust, known as the Cirfico Holdings Corporation Liquidating Trust (the "Trust"), the beneficiaries of which are the 483 securityholders of the Applicant as of the close of business on May 5, 1985. The formation of the Trust was approved by shareholders of the Applicant at their meeting on May 14, 1984. Two of the three Trustees of the Trust are unrelated to the persons holding a majority interest in the Trust. Trust assets, which have an aggregate value of approximately $1.46 million, have been desposited in an account of the Trust maintained at the Bank of New York. The Applicant has appointed Marine Midland Bank as recordkeeping agent for the Trust, unless otherwise determined by the trustees, for the purposes, among other things, of maintaining the records of the beneficiaries of the Trust, recording registrations and address changes and mailing notices to the Trust beneficiaries.

4. All liabilities of the Applicant have been assumed by the Trust. Applicant is contesting a claim that has been made upon it by the Internal Revenue Service; as of May 5, 1985, the aggregate amount of taxes, interest and penalties claimed was $194,305. In addition, the Trust has liabilities for legal and accounting fees incurred in connection with the above claim, and fees and expenses incurred in connection with its operations. A final liquidating distribution to securityholders will be paid as soon as practicable after the resolution of all claims against the Trust.

5. The Applicant is not a party to any litigation or administrative proceedings. The Applicant is not now engaged nor does it propose to engage in any business activities other than those necessary for the winding up of its affairs.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87–13886 Filed 6–17–87; 8:45 am]

BILLING CODE 8010-01-M

[File No. 22–16988]

Application and Opportunity For Hearing; Citicorp

June 11, 1987.

Notice is hereby given that Citicorp (the "Applicant") has filed an application under clause (ii) of section 310(b)(1) of the Trust Indenture Act of 1939 (the "Act") for a finding that the trusteeships of United States Trust Company of New York (the "Trust Company" or the "Trustee") under four existing indentures, and two pooling and servicing agreements each dated March 1, 1987, under which certificates evidencing interests in a pool of mortgage loans have been issued, are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trust Company from acting as Trustee under any of such indentures or agreements. Section 310(b) of the Act provides, in pertinent part, that if a trustee under an indenture qualified under the Act has or shall acquire any conflicting interest, it shall within ninety days after ascertaining that it has such a conflicting interest, either eliminate the conflicting interest or resign. Subsection (1) of section 310(b) provides, with certain exceptions, that a trustee under a qualified indenture shall be deemed to have a conflicting interest if such trustee is trustee under another indenture under which securities of the same obligor are outstanding.

The Applicant alleges that: (1) The Trust Company currently is acting as Trustee under four indentures under which the Applicant is the obligor. The Indenture dated February 15, 1972 involved the issuance of Floating Rate Notes due 1989; the Indenture dated March 15, 1977 involved the issuance of various series of unsecured and unsubordinated Notes; the Indenture dated August 25, 1977 involved the issuance of Rising-Rate Notes, Series A; and the Indenture dated April 21, 1980 involved the issuance of various series of unsecured and unsubordinated Notes. Said indentures were filed as, respectively, Exhibits 4(a), 2(b), and 2(a) to Applicant's respective Registration Statements Nos. 2–42915, 2–58355, 2–59396 and 2–64862 filed under the

Securities Act of 1933, and have been qualified under the Trust Indenture Act of 1939. The four indentures are hereinafter called the "Indentures" and the securities issued pursuant to the Indentures are hereinafter called the "Notes."

(2) The Applicant is not in default in any respect under the Indentures or under any other existing indenture.

(3) On March 26, 1987, the Trust Company entered into a Pooling and Servicing Agreement dated March 1, 1987 (the "1987–E Agreement") with Citibank, N.A., Originator and Servicer, and Citicorp Homeowners, Inc., under which there were issued on March 26, 1987 Mortgage Pass-Through CitiCertificates, Series 1987–E 8.50% Pass-Through Rate (the "Series 1987–E Certificates"), which evidence fractional undivided interests in a pool of conventional one-to-four-family mortgage loans (the "1987–E Mortgage Pool") originated and serviced by Citibank, N.A. and having adjusted principal balances aggregating $102,658,669.11 at the close of business on March 1, 1987, which mortgage loans were assigned to the Trust Company as Trustee simultaneously with the issuance of the Series 1987–E Certificates. On March 19, 1987, Applicant, the parent of Citibank, N.A., entered into a guaranty of even date (the "1987–E Guaranty") pursuant to which Applicant agreed, for the benefit of the holders of the Series 1987–E Certificates, to be liable for 8.00% of the initial aggregate principal balance of the 1987–E Mortgage Pool and for lesser amounts in later years pursuant to the provisions of the 1987–E Guaranty. The 1987–E Guaranty states that Applicant's obligations thereunder rank *pari passu* with all unsecured and unsubordinated indebtedness of Applicant, and accordingly, if enforced against Applicant, the 1987–E Guaranty would rank on a parity with the obligations evidenced by the Notes. The Series 1987–E Certificates were registered under the Securities Act of 1933 (Registration Statements on Forms S–11 and S–3, File No. 33–6358) as part of a delayed or continuous offering of $2,000,000,000 aggregate amount of Mortgage Pass-Through Certificates pursuant to Rule 415 under the 1933 Act. The Series 1987–E Certificates were offered by a prospectus supplement dated March 10, 1987, supplemental to a prospectus dated March 6, 1987. The 1987–E Agreement has not been qualified under the Trust Indenture Act of 1939.

(4) On February 24, 1987, the Trust Company entered into a Pooling and Servicing Agreement dated March 1, 1987 (the "1987–F Agreement") with Citibank, N.A., Originator and Servicer, and Citicorp Homeowners, Inc., under which there were issued on March 26, 1987 Mortgage Pass-through Citi-Certificates, Series 1987–F 8.50% Pass-Through Rate (the "Series 1987–F Certificates"), which evidence fractional undivided interests in a pool of conventional one-to-four family mortgage loans (the "1987–F Mortgage Pool") originated and serviced by Citibank, N.A. and having adjusted principal balances aggregating $126,208,781.32 at the close of business on March 1, 1987. On March 26, 1987, which mortgage loans were assigned to the Trust Company as Trustee simultaneously with the issuance of the Series 1987–F Certificates. Applicant entered into a Guaranty of even date (the "1987–D Guaranty") pursuant to which Applicant agreed, for the benefit of the holders of the Series 1987–F Certificates, to be liable for 7.75% of the initial aggregate principal balance of the 1987–F Mortgage Pool and for lesser amounts in later years pursuant to the provisions of the 1987–F Guaranty. The 1987–F Guaranty states that Applicant's obligations thereunder rank *pari passu* with all unsecured and unsubordinated indebtedness of Applicant, and accordingly, if enforced against Applicant, the 1987–F Guaranty would rank on a parity with the obligations evidenced by the Notes.

The 1987–F Certificates were registered under the Securities Act of 1933 (Registration Statements on Forms S–11 and S–3, File No. 33–6358) as part of a delayed or continuous offering of $2,000,000,000 aggregate amount of Mortgage Pass-Through Certificates pursuant to Rule 415 under the 1933 Act. The Series 1987–F Certificates were offered by a prospectus supplement dated March 10, 1987 supplemental to a prospectus dated March 6, 1987. The 1987–F Agreement has not been qualified under the Trust Indenture Act of 1939. The 1987–E Agreement and the 1987–F Agreement are hereinafter called the "1987 Agreements" and the 1987–E Guaranty and the 1987–F Guaranty are hereinafter called the "1987 Guarantees."

(5) The obligations of Applicant under the Indentures and the 1987 Guarantees are wholly unsecured, are unsubordinated and rank *pari passu*. Any differences that exist between the provisions of the Indentures and the 1987 Guarantees are unlikely to cause any conflict of interest in the trusteeships of the Trust Company under the Indentures and 1987 Agreements.

(6) Applicant has waived notice of hearing, hearing and any and all rights to specify procedures under Rule 8(b) of the Commission's Rules of Practice in connection with this matter.

For a more detailed statement of the matters of fact and law asserted, all persons are referred to said application, File No. 22–16988, which is a public document on file in the Commission's Public Reference Section, 450 5th Street, NW., Washington, DC 20549.

Notice is further given that an interested person may, not later than July 2, 1987, request in writing that a hearing be held on such matter, stating the nature of the interest, the reasons for such request, and the issues of law or fact raised by said application that are controverted, or request notification if the Commission should order a hearing. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, DC 20549.

At any time after said date, the Commission may issue an Order granting the application upon such terms and conditions as the Commission may deem necessary or appropriate in the public interest and for the protection of investors, unless a hearing is ordered by the Commission.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87–13887 Filed 6–17–87; 8:45 am]

BILLING CODE 8010–01–M

[Release No. IC–15805; (812–6604)]

Drexel Burnham Lambert Mortgage Acceptance Corp.; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 ("1940 Act").

Applicant: Drexel Burnham Lambert Mortgage Acceptance Corp.

Relevant 1940 Act Sections: Exemption requested pursuant to section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant seeks to amend an existing order (Investment Company Act Release No. 1504, December 29, 1986) exempting Applicant and certain trusts to be created by Applicant from all provisions of the 1940 Act in connection with the issuance and sale of collateralized mortgage obligations and ownership

interests in the trusts issuing such obligations.

Filing Date: The application was filed on January 27, and amended on April 27, 1987. A second amendment, the substance of which is included herein, will be filed during the notice period.

Hearing or Notification of Hearing: If no hearing is ordered, the requested exemption will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m. on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, in the case of an attorney-at-law, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC. 450 Fifth Street, NW., Washington, DC 20549. Applicant, c/o Stephen H. Shalen, Esq., Cleary, Gottlieb, Steen & Hamilton, One State Street Plaza, New York, NY 10004.

FOR FURTHER INFORMATION CONTACT: Thomas C. Mira, Staff Attorney (202) 272–3033, or Brion R. Thompson, Special Counsel (202) 272–3016 (Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person, or the SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300).

Applicant's Representations

1. Applicant is a Delaware corporation and a wholly-owned, limited purpose finance subsidiary of The Drexel Burnham Lambert Group Inc., organized to facilitate the financing of long-term residential mortgages on one-to-four family residences through the issuance of one or more series of collateralized mortgage obligations ("Bonds") secured by such mortgages. Applicant will not trade or deal in securities or engage in any other activity except as incidental to the issuance of the Bonds.

2. Applicant contemplates creating separate common law business trusts ("Trusts") under separate agreements ("Trust Agreements") between Applicant, acting as a depositor, and a bank, trust company or other fiduciary acting as owner trustee ("Owner Trustee"). Each Trust Agreement will contemplate that the Owner Trustee will enter into a management agreement with respect to each Trust with Drexel Burnham Lambert Incorporated or another affiliate of the Applicant, or another financial institution, for the provision of certain management services in connection with the issuance of the Bonds.

3. Each Trust wil issue one or more series of Bonds under an indenture ("Indenture") between the Trust and an independent trustee for the Bondholders ("Bond Trustee"). Each series of Bonds will be directly secured by "fully modified pass-through" mortgage-backed certificates fully guaranteed as to principal and interest by the Government National Mortgage Corporation ("GNMA Certificates"); mortgage participation certificates issued by the Federal Home Loan Mortgage Corporation ("FHLMC Certificates"); guaranteed mortgage pass-through certificate issued by the Federal National Mortgage Association ("FNMA Certificates") (collectively, "Mortgage Certificates"); and reinvestment earnings and distributions on such Mortgage Certificates. In addition to the Mortgage Certificates directly securing the Bonds, a series of Bonds will have additional collateral, which will include certain collection accounts and may include other reserve funds as specified in the related Indenture.

4. For each series of Bonds, (i) payments on the mortgage loans underlying the Mortgage Certificates securing the Bonds will be the primary source of funds for payments of principal and interest due the Bonds; (ii) the Mortgage Certificates securing each series of Bonds will be pledged to the related Bond Trustee under the applicable Indenture and will be held by the Bond Trustee or an independent nominee; (iii) the Bond Trustee will have a first lien perfected security interest in all such Mortgage Certificates; (iv) the principal amount and the collateral value of Mortgage Certificates securing each series of Bonds will at all times be at least equal to the principal amount of outstanding Bonds; and (v) the cash flow on the Mortgage Certificates, together with reinvestment income at the assumed reinvestment rate specified in the Indenture, will be sufficient to pay principal and interest on the Bonds when due to Bondholders.

5. Applicant also intends to sell certificates ("Equity Certificates") representing some or all of the beneficial ownership in a Trust. Neither the owners of the Equity Certificates ("Owners") nor the Bond Trustee will be able to impair the security afforded by the Mortgage Certificates to the Bondholders because, without the consent of each affected Bondholder, neither the Owners nor the Bond Trustee will be able to (i) change the stated maturity on any Bonds; (ii) reduce the principal amount of, or the rate of interest on, any Bonds; (iii) change the manner of calculating interest on any Bonds; (iv) change the provisions in the Indenture relating to the application of collateral collections to principal payments on the Bonds; (v) impair or adversely affect the Mortgage Certificates securing a series of Bonds; (vi) permit the creation of any lien ranking prior to or on parity with the lien of the related Indenture with respect to the Mortgage Certificates; (vii) terminate the lien of the Indenture on any collateral at any time (except in certain limited circumstances expressly permitted in the Indenture); [1] or (viii) otherwise deprive the Bondholders of the security afforded by the lien of the related Indenture. In addition, the sale of Equity Certificates will not alter the payment of cash flows under the Indenture, including amounts to be deposited in collections account securing the Bonds or any reserve funds created under the Indenture to support payments of principal and interest on the Bonds.

6. The interests of the Bondholders will not be compromised or impaired by the sale of Equity Certificates and there will not be a conflict of interest between the Bondholders and the Owners because: (i) The Bond collateral will not be speculative in nature because it will consist solely of GNMA Certificates, FNMA Certificates, or FHLMC Certificates; (ii) the Bonds will only be issued provided a rating agency has rated the Bonds in one of the two highest rating categories, which by definition means that the capacity of the issuer to pay principal and interest on the Bonds is extremely strong; (iii) the Indenture under which the Bonds will

[1] The Indenture for each Trust will provide that amounts may be released from the lien of the Indenture after each Bond payment date and remitted to the Trust only if (i) the Bond Trustee has made the scheduled payment of principal and interest on the Bonds, (ii) the Bond Trustee has received all fees currently owed to it, (iii) the firm of independent accountants has received all fees owed to it for services rendered under the Indenture and (iv) deposits have been made to certain reserve funds securing the Bonds, to the extent required. Under the Trust Agreement, the Owner Trustee is obligated to collect all amounts released from the lien of the Indenture by the Bond Trustee, to pay all other current expenses of the Trust, including its own fees, and to remit the balance to the Owners on a pro rata basis. Each Trust Agreement will provide that, once amounts have been released from the lien of the Indenture, the Owner Trustee has a right superior to that of the Owners to the remaining cash flow.

have been issued will subject the collateral pledged to secure the Bonds, all income distributions thereon and all proceeds from a conversion, voluntary or involuntary, of any such collateral, to a first priority perfected security interest in the name of the Bond Trustee on behalf of the Bondholders; and (iv) the Owners will only be entitled to receive current distributions representing the residual payments on the collateral from each Trust in accordance with the terms of the applicable Trust Agreement. The Owners will be liable for the expenses, taxes and other liabilities of the Trust (other than the principal and interest on the Bonds) to the extent not previously paid from the trust estate unless the applicable Trust elects to be treated as a "real estate mortgage investment conduit" ("REMIC"). The choice of form of the issuer for the Bonds and the identity of the Owners will not alter in any respect the payments made to Bondholders or the amounts available to make such payments.

7. The excess cash flow, if any, from the Bond collateral that is available to Owners will always be far less than the cash flow from the Bond collateral that is used to make principal and interest payments to Bondholders. As a result, the purchase price of the entire beneficial interest in each Trust will be significantly less than the purchase price of the Bonds. Applicant does not intend to deposit, in any Trust, Mortgage Certificates with a market value that exceeds 120% of the aggregate original principal amount of the related Bonds at the time of their issuance.

8. The offering documents prepared in connection with the respective offers for sale of the Bonds and Equity Certificates will provide investors with all material information concerning the characteristics of the related Mortgage Certificates, including the expected pass-through rates and maturities of such Mortgage Certificates, and will set forth information concerning the anticipated return on investment that would be realized by a Bondholder or an Owner based on varying assumptions as to the prepayment rates on the Mortgage Certificates and other relevant factors specified in the offering documents. Accordingly, each class of prospective investor will be able to make an informed investment decision as to whether the Bonds or Equity Certificates represent an attractive investment opportunity based upon their payment terms and the investors' own determination as to the anticipated rate of prepayments on the underlying Mortgage Certificates. The actual prepayment experience of the Mortgage Certificates will, in any event, be determined by market conditions that are beyond the control of the Applicant or the Owners.

Applicant's Legal Conclusions

1. The requested order is appropriate in the public interest because (1) the issuance of Bonds by the Trust and the sale of Equity Certificates by Applicant in the manner described above are not the types of activities intended to be regulated by the Act, (2) the safeguards afforded to purchasers of the Bonds fully protect investors in manner comaprable to those protections provided to purchasers of collateralized mortage obligations previously issued in reliance upon no-action letters issued under section 3(c)(5)(C) of the 1940 Act or exemptive orders granted under section 6(c) of the 1940 Act, and (3) its activities will promote the public interest by expanding the market for mortgage securities, thereby increasing the pool of funds available for mortgage loans and increasing the capacity of mortgage lenders to meet the housing finance needs of the nation.

Conditions to Order

Applicant agrees that the requested order may be expressly conditioned upon the following:

A. Conditions Relating to the Bond Collateral

1. Each series of Bonds will be registered under the Securities Act of 1933 ("1933 Act") unless offered in a transaction exempt from registration under section 4(2) of the 1933 Act.

2. The Bonds will be "mortgage related securities" within the meaning of section 3(a)(41) of the Securities Exchange Act of 1934. The Mortgage Certificates directly securing the Bonds will be limited to GNMA FNMA, and FHLMC Certificates.

3. If new Mortgage Certificates are substituted, the substitute collateral must: (i) be of equal or better quality than the collateral replaced; (ii) have similar payment terms and cash flow as the collateral replaced; (iii) be insured or guaranteed to the same extent as the collateral replaced; and (iv) meet the conditions set forth in paragraphs (2) and (4). In addition, new Mortgage Certificates may not be substituted for more than 40% of the aggregate face amount of the Mortgage Certificates initially pledged as security for a series of Bonds. In no event may any new mortgage collateral be substituted for any substitute mortgage collateral.

4. All collateral securing a series of Bonds, directly or indirectly, will be held by the Bond Trustee or on behalf of the Bond Trustee by an independent custodian. Neither the Bond Trustee nor any custodian may be an affiliate (as the term "affiliate" is defined in Rule 405 under the 1933 Act) of the Applicant. The Bond Trustee will be provided with a first priority perfected security or lien interest in and to all such Bond collateral.

5. Each series of Bonds will be rated in one of the two highest bond rating catergories by at least one nationally recognized statistical rating agency that is not affiliated with Applicant. The Bonds will not be considered "redeemable securities" within the meaning of Section 2(a)(32) of the 1940 Act.

6. At least annually, an independent accountant will audit the books and records of each Trust and will report on whether the anticipated payments of principal and interest on the Mortgage Certificates will be adequate to pay the principal and interest on the Bonds in accordance with their terms. Upon completion, copies of the auditor's report(s) will be provided to the Bond Trustee.

B. Conditions Relating to Variable-rate Bonds

1. Each class of variable rate Bonds will have set maximum interest rates (interest rate caps) which may vary from period to period as specified in the related prospectus.

2. The collateral initially pledged to secure a series of Bonds, including a series of Bonds that contains a class or classes of adjustable or floating rate Bonds, will be sufficient to pay the maximum amount of interest and principal due on such Bonds for the life of such Bonds.[2]

[2] In the case of a series of Bonds that contains a class or classes of adjustable or floating rate Bonds, a number of mechanisms exist to ensure that this representation will be valid notwithstanding subsequent potential increases in the interest rate applicable to the adjustable or floating rate Bonds. Procedures that have been identified to date for achieving this result include the use of (i) interest rate caps for the adjustable or floating rate Bonds; (ii) "inverse" floating rate Bonds (which pay a lower rate of interest as the rate increases on the corresponding "normal" floating rate Bonds); (iii) floating rate collateral (such as FNMA adjustable rate Certificates) to secure the Bonds; (iv) interest rate swap agreements (under which Bonds in the floating rate class, in exchange for receiving corresponding periodic payments from the coutnerparty at a floating rate of interest based on the same principal amount) and (v) hedge agreements (including interest rate futures and option contracts, under which the issuer of the Bonds would realize gains during periods of rising interest rates sufficient to cover the higher interest payments that would become due during such periods on the floating rate class of Bonds). It is expected that other mechanisms may be identified

Continued

C. Conditions Relating to the Sale of Equity Certificates

1. The Owners of the Equity Certificates will agree to be bound by the terms of the applicable Trust Agreement.

2. Equity Certificates will be offered and sold only to one or more banks, savings and loan associations, pension funds, insurance companies or other institutions that customarily engage in the purchase of mortgages and mortgage-backed assets ("Eligible Institutions").

3. Each sale of Equity Certificates to an Eligible Institution will qualify as a transaction not involving a public offering within the meaning of section 4(2) of the 1933 Act.

4 Initially, Applicant intends to sell the Equity Certificates of each Trust to no more than twenty five Eligible Institutions. The Trust Agreement relating to each Trust will prohibit the transfer of any Equity Certificate of such Trust if there would be more than one hundred beneficial owners of such Equity Certificates at any time.

5. The Trust Agreements will require that each purchaser of an Equity Certificate represent that it is purchasing the Equity Certificate for investment purposes only and that it will hold the Equity Certificate in its own name and not as nominee for undisclosed investors.

6. The Trust Agreement will provide that (i) no Owner of an Equity Certificate may be affiliated with the Bond Trustee, (ii) no holders of a controlling (as that term is defined in Rule 405 under the 1933 Act) equity interest in a Trust will be affiliated with either the custodian of the Bond collateral or the rating agency rating the Bonds and (iii) the Owner Trustee will not purchase any Equity Certificates but will function as a legal stakeholder for the assets of the Trusts.

D. Condition Relating to REMICs

The election by any Trust to be treated as a REMIC will have no effect on the level of expenses that will be incurred by such Trust. Any Trust that elects to be treated as a REMIC will provide that all fees and expenses incurred in connection with the administration of the Trust will be paid or provided for in a manner satisfactory to the rating agency by one or more of the methods described in the application. The method or methods adopted by each Trust will be sufficient to provide for the timely payment of the Trust's anticipated fees and expenses.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13888 Filed 6-17-87;8:45am]

BILLING CODE 8010-01-M

in the future. Applicant will give the Staff of the Division of Investment Management ("Staff") notice by letter of any such additional mechanisms before they are utilized, in order to give the Staff an opportunity to raise any questions as to the appropriateness of their use. In all cases, these mechanisms will be adequate to ensure the accuracy of the representation and will be adequate to meet the standards required for a rating of the Bonds in one of the two highest bond rating categories, and no Bonds will be issued for which this is not the case.

[Rel. No. IC-15806; 812-6665]

Fogelman Acceptance Corp.; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission (the "SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Fogelman Acceptance Corporation.

Relevant 1940 Act Section: Exemption requested under section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant seeks an order to exempt it and certain trusts that it may form ("Trusts") from all provisions of the 1940 Act permitting the issuance of collateralized mortgage obligations and sale of beneficial ownership in the Trusts.

Filing Date: The application was filed on March 27, 1987, and amended on April 22, May 12 and June 3, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any records must be received by the SEC by 5:50 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for attorneys, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th, Street, Washington, DC 20549. Fogelman Acceptance Cropration, 5400 Poplar Avenue, Memphis, Tennessee 38119.

FOR FURTHER INFORMATION CONTACT: Sherry A. Hutchins, Staff Attorney (202) 272-2799 or Brion Thompson, Special Counsel (202) 272-3016, Office of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier, (800) 231-3282 (in Maryland (301) 253-4300)).

Applicant's Statement and Representations

1. Applicant is a wholly-owned, limited-purpose subsidiary of Fogelman Properties Inc., a Tennessee corporation engaged primarily in the business of developing, buying, selling, financing, owning, managing and operating multi-family rental housing. Applicant, a Delaware corporation, was organized to facilitate the financing of mortgage loans through the issuance of one or more series of bonds ("Bonds") secured primarily by Mortgages Certificates (as defined below) and will perform certain related activities.

2. Applicant seeks relief on behalf of itself and certain Trusts that it has or may establish permitting the Trusts to issue one or more series of Bonds and invest in certain Mortgage Certificates (as hereinafter defined) which will be used to collateralize such Bonds, and the Applicant to sell beneficial interests (the "Certificates") in such Trusts.

3. Each Trust has been or wil be established under a separate deposit trust agreement ("Trust Agreement") between Applicant and an independent trustee ("Owner Trustee") for the holders of the Certificates. Each Trust will issue one or more Series of Bonds under the terms of an indenture ("Indenture") between the Owner Trustee and the Indenture trustee ("Trustee"), as supplemented by one or more series supplements. The Indenture will be qualified under the Trust Indenture Act of 1939 (the "1939 Act") unless an appropriate exemption is available.

4. Each Trust will issue and sell Bonds in series ("Series") secured primarily by Mortgage Certificates.[1] Each Series of

[1] The "Mortgage Certificates" collateralizing the Bonds will be limited to fully modified pass-through mortgage-backed certificates guaranteed by the Government National Mortgage Association ("GNMA Certificates"), guaranteed mortgage pass-through securities issued by the Federal National Mortgage Association ("FNMA Certificates"), and mortgage participation certificates issued by the Federal Home Loan Mortgage Corportion ("FHLMC Certificates").

Bonds will consist of one or more classes including one or more classes of current interest Bonds, compound interest Bonds or adjustable (adjusted periodically according to a fixed index set forth in the prospectus supplement or series supplement) interest rates. Each Series of Bonds may also be secured by certain funds and accounts including collection accounts, reserve funds, reinvestment agreements and by other funds and accounts described in the series supplement (any or all of the foregoing together with Mortgage Certificates, "Bond Collateral"). The proceeds from the sale of the Bonds will be used to facilitate the long-term financing of residential mortgage loans through the reinvestment of the proceeds in housing or housing-related assets.

5. The Mortgage Certificates securing each Series of Bonds, together with any reinvestment income thereon and any applicable funds, will be sufficient to pay all interest on the Bonds and retire each class of Bonds by their stated maturity. The outstanding "bond value" (calculated in accordance with the Indenture) at the time of issuance of the Bonds and following each payment date will be equal to or be greater than the outstanding principal balance of the Bonds.

6. Applicant may sell some or all of the Certificates to mortgage lenders, thrift institutions, commercial and investment banks, savings and loan associations, pension funds, employee benefit plans, insurance companies, or other institutional or non-institutional investors which customarily engage in the purchase of mortgages or mortgage collateral in transactions not constituting a public offering under the Securities Act of 1933 ("1933 Act").

7. There will not be a conflict of interest between the holders of the Bonds (the "Bondholders") and the Certificateholders as: (a) The Mortgage Certificates will not be speculative in nature; (b) the Bonds will be issued only if an independent nationally recognized statistical rating agency has rated such Bonds in one of the two highest rating categories; and (c) the Bond Trustee will retain a first priority perfected security interest on behalf of the Bondholders, the Bond Collateral, all income distributions thereon and all proceeds from a conversion, voluntary or involuntary, of any such collateral to a first priority perfected security interest in the name of the Bond Trustee on behalf of the Bondholders. Further, neither the Certificateholders, Owner Trustee, or the Bond Trustee will be able to impair the security afforded by the Mortgage Certificates because, without the consent of each affected Bondholder, neither the Owners nor the Bond Trustee will be able to: (a) Change the stated maturity on any Bond; (b) reduce the principal or rate of interest (or the manner of determining the rate of interest on adjustable rate bonds) on any Bond; (c) change the priority of repayment on any class of any Series of Bonds; (d) impair or adversely affect the Mortgage Certificates securing a Series of Bonds; (e) permit the creation of a lien ranking prior to or on parity with the lien of the related Indenture with respect to the Mortgage Certificates or (f) otherwise deprive the Bondholders of the security afforded by the lien of the related Indenture.

8. The sale of the Certificates will not alter the payment of cash flow under any Indenture, incuding the amounts to be deposited in the collection account or any reserve fund. Thus, the aggregate interest in the Bond Collateral which is available to the Certificateholders always will be far less than payments to Bondholders. Further, except for the limited right to substitute Mortgage Certificates, it will not be possible for Certificateholders to alter the Mortgage Certificates, and, in no event will such right of substitution result in a diminution in the value of the collateral. Although substitution may result in a different prepayment experience, the Bondholders' interests will not be impaired because: (a) The prepayment experience of any Mortgage Certificates will be determined by market conditions beyond the Certificateholders control which market conditions are likely to affect all comparable Mortgage Certificates in similar fashion; (b) the Certificateholders interests are not likely to be different from those of Bondholders with respect to prepayment experience; and (c) to the extent that the Certificateholders may cause substitution which has a different prepayment experience than the original Mortgage Certificates, this situation is no different for the Bondholders than the traditional collateralized mortgage obligation structure where bonds are issued by a corporate entity that is a wholly-owned corporate subsidiary.

9. An election by a Trust to be treated as a real estate mortgage investment conduit ("REMIC") will have no significant effect on the level of expenses that would be incurred by such Trust. Administration fees and expenses will be paid or provided for in a manner satisfactory to the agency rating the Series and subject to Condition D below.

Applicant's Legal Conclusion

1. The relief requested is necessary and appropriate in the public interest because neither the Applicant nor the Trusts it plans to form are the types of entities to which the provisions of the 1940 Act were intended to be applied, the safeguards afforded to Bondholders fully protect investors, the Certificateholders will be sophisticated in the area of mortgages and mortgage-backed assets and limited in number, and the proposed activities will promote the public interest by facilitating the financing of housing by supplying capital for reinvestment in the real estate and mortgage markets.

Conditions to Order

Applicant agrees that the requested order may be expressly conditioned upon the following:

A. Conditions relating to the Bond Collateral

(1) Each Series will be registered under the 1933 Act, unless offered in a transaction exempt from registration pursuant to Section 4(2) of the 1933 Act.

(2) The Bonds will be "mortgage related securities" within the meaning of Section 3(a)(41) of the Securities Exchange Act of 1934. The Mortgage Certificates, the primary collateral directly securing the Bonds, will be limited to GNMA, FNMA, and FHLMC Certificates.

(3) If new Mortgage Certificates are substituted, the substitute collateral must: (i) be of likekind than the Mortgage Certificates replaced and not extend the stated maturity of any Bond; (ii) have similar payment terms and cash flows as the Mortgage Certificates replaced; (iii) be insured or guaranteed at least to the same extent as the Mortgage Certificates replaced; and (iv) meet the criteria set forth in Conditions A(2) and (4). New Mortgage Certificates may not be substituted for more than 40% of the aggregate face amount of the Mortgage Certificates initially pledged. In no event may any new Mortgage Certificates be substituted for any substitute Mortgage Certificates.

(4) All of the Bond Collateral will be held by the Bond Trustee or on behalf of the Bond Trustee by an independent custodian. The Bond Trustee or the custodian may not be an affiliate (as the term "affiliate" is defined in Rule 405 under the 1933 Act, 17 CFR 230.405 "Rule 405") of the Applicant or any Trust. The Bond Trustee will retain a first priority perfected security or lien interest in and to all Bond Collateral securing such Series.

(5) Each Series will be rated in one of the two highest bond rating categories by at least one nationally recognized statistical rating organization that is not affiliated with the Applicant or any Trust. The Bonds will not be "redeemable securities" within the meaning of section 2(a)(32) of the 1940 Act.

(6) No less often than annually, an independent public accountant will audit the books and records of each Trust and will report on whether the anticipated payments of principal and interest on the Bond Collateral continue to be adequate to pay the principal and interest on the Bonds in accordance with their terms. Upon completion, copies of the auditor's report(s) will be provided to the Bond Trustee.

B. Conditions relating to variable rate Bonds

(1) Each Series of adjustable interest rate Bonds have a set maximum interest rate (interest rate cap).

(2) At the time of deposit of the Bond Collateral and during the life of the Bonds, the scheduled payments of principal and interest to be received by the Bond Trustee on the Mortgage Certificates plus reinvestment income thereon, and funds, if any, pledged to secure the Bonds (as described in the application) will be sufficient to make all payments of principal and interest on the Bonds then outstanding, assuming the maximum interest rate on each Series of adjustable interest rate Bonds.[2] The Mortgage Certificates will be paid down as the underlying mortgages on the Mortgage Certificates are repaid, but subject to the Trust's limited right to substitute collateral as set forth in Condition A(3) above, will not be released from the lien of the Indenture prior to the payment of the Bonds.

C. Conditions relating to the sale of the Certificates

(1) A Certificate in a Trust will be offered and sold only to (i) institutions or (ii) non-institutions which are "accredited investors" as defined in Rule 501(a) of the 1933 Act. Institutional investors will have such knowledge and experience in financial and business matters as to be capable to evaluate the risks of purchasing Equity Interests and understand the volatility of interest rate fluctuations as they affect the value of mortgages, mortgage-related securities and residual interests therein. Non-institutional accredited investors will be limited to not more than 15, will purchase at least $200,000 of such Equity Interest and will have a net worth at the time of purchase that exceeds $1,000,000 (exclusive of their primary residence). Further, non-institutional accredited investors will have such knowledge and experience in financial and business matters, specifically in the field of mortgage-related securities, as to be able to evaluate the risk of purchasing an Equity Interest in such Trust and will have direct, personal and significant experience in making investments in mortgage-related securities and because of such knowledge and experience, understand the volatility of interest-rate fluctuations as they affect the value of mortgage-related securities and residual interests therein. Certificateholders will be limited to mortgage lenders, thrift institutions, commercial and investment banks, savings and loan associations, pension funds, employee benefit plans, insurance companies, mutual funds, real estate investment trusts or other institutional or non-institutional investors as described above which customarily engage in the purchase of mortgages and mortgage-related securities.

(2) Each sale of a Certificate will qualify as a transaction not involving any public offering within the meaning of the 1933 Act.

(3) The Trust Agreement will prohibit the transfer of such Certificate if there would be more than 100 Certificateholders as a result of such transfer.

(4) Each sale of a Certificate will require each purchaser thereof to represent that it is purchasing for investment and not for distribution and that it will hold such Certificate in its own name and not as nominee for undisclosed investors.

(5) Each sale of a Certificate will provide that (i) no Certificateholder may be affiliated with the Bond Trustee for the relevant Trust and (ii) no holders of a controlling interest (as that term is defined in Rule 405 under the 1933 Act) in any Trust may be affiliated with either the custodian of the Bond Collateral or the agency rating the Bonds of the relevant Series.

D. Condition relating to REMICs

The election by a Trust to be treated as a REMIC will have no significant effect on the level of the expenses that would be incurred by any such Trust. Any Trust which elects to be treated as a REMIC will provide for the payments of administrative fees and expenses as set forth in the application. Each Trust will ensure that the anticipated level of fees and expenses will be adequately provided for regardless of the method selected.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13889 Filed 6-17-87; 8:45 am]

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[2] In the case of a Series of Bonds that contains adjustable or floating interest rate Bonds, a number of mechanisms exist to ensure that this condition will be valid notwithstanding subsequent potential increases in the interest rate applicable to the adjustable or floating interest rate Bonds. Procedures that have been indentified to date for achieving this result include the use of (i) interest rate caps for the adjustable or floating interest rate Bonds; (ii) "inverse" floating interest rate Bonds (which pay a lower rate of interest as the rate increases on the corresponding "normal" floating interest rate Bonds); (iii) floating rate collateral (such as adjustable rate FNMA Certificates) pledged to secure the Bonds; (iv) interest rate swap agreements (under which the Trusts issuing the Bonds would make periodic payments to a counterparty at a fixed rate of interest based on a stated principal amount, such as the principal amount of Bonds in the floating interest rate class, in exchange for receiving corresponding periodic payments from the counterparty at a floating rate of interest based on the same principal amount) and (v) hedge agreements (including interest rate futures and option contracts, under which the issuer of the Bonds would realize gains during periods of rising interest rates sufficient to cover the higher interest payments that would become due during such periods on the floating interest rate class of Bonds). It is expected that other mechanisms may be identified in the future. Applicant will give the staff of the Division of Investment Management (the "Staff") notice by letter of any such additional mechanisms before they are utilized, in order to give the Staff an opportunity to raise any questions as to the appropriateness of their use. In all cases, these mechanisms will be adequate to ensure the accuracy of the condition and will be adequate to meet the standards required for a rating of the Bonds in one of the two highest bond rating categories, and no Bonds will be issued for which this is not the case.

[Rel. No. IC-15797; 812-6676]

Hutton Investment Series, Inc., et al.; Application

Dated: June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicants: Hutton Investment Series Inc. ("HIS"), Hutton National Municipal Fund Inc. ("National"), Hutton California Municipal Fund Inc. ("California"), Hutton New York Municipal Fund Inc. ("New York"), Hutton Municipal Series Inc. ("Municipal Series"), Cash Reserve Management, Inc. ("Cash Reserve"), Municipal Cash, Reserve Management, Inc. ("Municipal Cash"), Hutton AMA

Cash Fund, Inc. ("AMA"), Hutton Government Fund, Inc. ("Government"), Hutton Master Series ("Master Series"), Hutton Telephone & Telecommunications Tax-Advantaged Trust ("Telephone") (collectively, the "Funds") and E.F. Hutton & Company Inc. ("E.F. Hutton").

Relevant 1940 Act Sections: Exemption requested under section 11(a).

Summary of Application: Applicants seek an order approving certain proposed offers of exchange of shares among the Funds (the "Exchange Program") on a basis other than their respective net asset value per share at the time of exchange. Applicants requests that any order issued on this application also be applicable to any other investment companies not yet in existence for which E. F. Hutton in the future may serve as distributor or investment adviser.

Filing Date: The application was filed on April 6, 1987, and amended on June 11, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the Application will be granted. Any interested person may request a hearing on this Application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m. on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicants with the request either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicants: c/o Paul F. Roye, Esq., Dechert Price & Rhoads, 1730 Pennsylvania Ave., NW., Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT: Denis R. Molleur, Staff Attorney (202) 272.2363 or Curtis R. Hilliard, Special Counsel (202) 272–3026, Office of Investment Company Regulation.

SUPPLEMENTARY INFORMATION: The following is a summary of the Application; the complete Application is available for a fee from either the Commission's Public Reference Branch in person, or the Commission's commercial copier (800) 231–3282 (in Maryland (301) 258–4300).

Applicants' Representations

1. Each of the Funds is registered as an open-end management investment company under the 1940 Act and has E.F. Hutton as its investment adviser and distributor. E.F. Hutton is registered as a broker-dealer under the Securities Exchange Act of 1934 and as an investment adviser under the Investment Advisers Act of 1940. E.F. Hutton may, in the future, serve as investment adviser or distributor for additional Funds, each of whose shares may be issued either without a sales charge, a front-end sales charge or a contingent deferred sales charge, which E.F. Hutton may wish to include in the Exchange Program. Any future funds for which E.F. Hutton serves as investment adviser or distributor and which will be included in the exchange program will have sales load structures substantially similar to the existing funds.

2. Shares of HIS ("Contingent Deferred Load Fund") are offered at their relative net asset value, subject to the imposition of a contingent deferred sales charge (at a maximum rate of 5%) on any redemption of shares which causes the aggregate current value of an investor's account to fall below the aggregate amount of the investor's purchase payments made during the six years preceding the redemption. Shares of National, California, New York, Municipal Series, and Master Series (the "Front-End Load Funds") are offered at their relative net asset value, plus a maximum sales charge of 4.00% of the public offering price (4.17% of the net amount invested). As set forth in the prospectuses of these Funds, this sales charge is subject to reduction depending on the size of the investment. Shares of Cash Reserve, Municipal Cash, AMA, and Government (the "No-Load Funds"), all money market funds, are sold to the public at their net asset value without a sales charge. Telephone currently does not have any public shareholders and its shares are not currently being offered to the public.

3. It is proposed that shareholders of any No-Load Fund, a Contingent Deferred Load Fund or any Front-End Load Fund be permitted to exchange all or a portion of their shares (including shares acquired through the reinvestment of dividends and capital gains distributions) for shares of any Fund within the E.F. Hutton family of funds (funds that have E.F. Hutton as investment adviser or principal underwriter) as follows:

(A) Shares of the Front-End Funds may be exchanged for shares of any No-Load Fund on the basis of relative net asset value at the time of exchange without any sales load;

(B) Shares of the Front-End Load Funds may be exchanged for shares of a Contingent Deferred Load Fund without imposition of the contingent deferred sales upon redemption of the acquired shares;

(C) Shares of a Front-End Load Fund may be exchanged for shares of another Front-End Load Fund on the basis of relative net asset values without payment of the sales load;

(D) Shares of No-Load Funds may be exchanged for shares of other No-Load Funds at their relative net asset values;

(E) Shares of No-Load Funds may be exchanged for shares of any Front-End Load Fund with imposition of the sales load normally charged by the Front-End Load Fund (unless those shares were previously charged a sales load by one of the Funds);

(F) Shares of No-Load Funds may be exchanged for shares of a Contingent Deferred Load Fund based on the relative net asset values at the time of exchange but subject to the imposition of the contingent deferred sales load which would be payable upon disposition of the acquired shares (unless those shares were previously charged a sales load by one of the Funds);

(G) Shares of a Contingent Deferred Loan Fund may be exchanged for shares of another Contingent Deferred Loan fund after payment of the contingent deferred sales load (unless those shares were previously charged a sales load by one of the Funds) without payment of the Front-End Load fund's sales load; and

(H) Shares of a Contingent Deferred Load Fund may be exchanged for shares of a No-Load Fund, after payment of the contingent deferred sales load (unless those shares were previously charged a sales load by one of the Funds); and

(I) Shares of Contingent Deferred Load Fund may be exchanged for shares of another Contingent Deferred Load fund, after payment of the contingent deferred sales load (unless those shares were previously charged a sales load by one of the Funds). Once a contingent deferred sales charge is paid an additional contingent deferred sales charge will not be imposed upon disposition of the acquired shares.

4. Applicants submit that if these exchanges were always made at their relative net asset value, the distribution system of the Front-End Load Funds and the Contingent Deferred Loan Funds would be disrupted because an investor could easily avoid the sales charge by acquiring No-Load Fund shares and immediately exchanging the shares so acquired for Front-End Load Fund shares, or if an investor desired to redeem shares of a Contingent Deferred Load Fund, still subject to the charge, he

or she could switch to a fund not imposing the contingent deferred charge to avoid the imposition of the charge. The Exchange Program proposed by the Applicants would avoid these problems, would be equitable to all shareholders and would benefit exchanging shareholders by crediting them for sales charges previously paid.

5. Each of the exchange in the Exchange Program would be subject to a adminstrative fee of $5.00, payable to the Fund from which the exchange was made and applicable uniformly to all offerees. The administrative fee would be disclosed in the prospectuses for the Funds and in advertising and sales literature that described the exchange offers.

6. In the event that a sales charge is imposed on an exchange, rights of accumulation as described in the Funds' prospectuses allowing for reduced sales charges will be considered in determining the sales charge applicable to the exchange. If a shareholder has executed a letter of intent whereby he immdiately qualified for a reduced sales charge upon the purchase of shares and effects an exchange prior to completing the letter of intent, his account will be charged the appropriate sales charge prior to the exchange. All waivers of sales charges as set forth in the prospectuses for the Front-End Load Funds and the Contingent Deferred Loan Funds will apply in connection with the exchange offers. Aslo, each exchange will be subject to the minimum investment requirements of the Fund whose shares are to be acquired.

7. In each of the exchanges in the proposed Exchange Program, shares acquired through reinvestment of dividends and capital gain distributions will not be subject to a sales load (either front-end or contingent).

8. Shareholders of each Fund will be notified of the exchange privileges by means of the Fund's prospectus and possibly in other communications.

9. Applicants submit that the proposed Exchange Program would permit a shareholder of any Fund in the E.F. Hutton family of funds to exchange, in a simple transaction, his or her fund shares for shares of any other fund on a fair and equitable basis when market, tax considerations or changes in the shareholders' investment objectives, warrant such an exchange. Thus, Applicants believe that the Exchange Program is fair and equitable in the treatment of the Funds' shareholders, while at the same time giving them necessary flexibility in their financial planning.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13890 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-15801; 812-6725]

Kidder, Peabody & Co., Inc.; Application

Dated: June 11, 1987.

AGENCY: Securities and Exchange Commission (the "SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Kidder, Peabody & Co., Inc.

Relevant 1940 Act Section: Exemption requested under Section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant requests an exemption from all provisions of the 1940 Act so that it can issue "stripped" certificates representing interests in the principal or interest payments due on certain bonds held in the custody of a major commercial bank.

Filing Date: The application was filed on May 18, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for attorneys, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, 10 Hanover Square, New York, New York 10005.

FOR FURTHER INFORMATION CONTACT: Sherry A. Hutchins, Staff Attorney at (202) 272-2799 or Brion R. Thompson, Special Counsel at (202) 272-3016, Office of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300).

Applicant's Representations

1. Applicant is a Delaware Corporation and a wholly-owned subsidiary of Kidder, Peabody Group, Inc., which is an indirect subsidiary of General Electric. Applicant also is registered as a broker-dealer under the Securities Exchange Act of 1934.

2. Applicant proposes to offer for sale component parts of interest-bearing bonds (the "Bonds") issued or to be issued by an international financial institution (e.g., the World Bank, the Inter-American Development Bank or the Asian Development Bank), foreign sovereign government, or corporation (the "Obligor"). It is anticipated that the Bonds will be intermediate term securities with maturities ranging from five to eight years.

3. Applicant or an affiliate thereof (as "Depositor") will purchase directly from the Obligor, or in the secondary market, some or all of the Bonds of a single series and deposit them with a bank (the "Custodian"). The Bonds will be held in the Custodian's name pursuant to a custody and agency agreement (the "Custody Agreement") meeting the requirements for unit investment trusts in section 26(a) of the 1940 Act.[1] Applicant proposes that the corporate trust department of a major commercial bank (with total assets of not less than $500,000,000) act as its Custodian, and states that it will pay the annual fee and certain expenses of the Custodian.

4. Upon deposit of the Bonds, the Custodian will deliver to Applicant certain deposit receipts (the "Certificates") representing interests in the serially maturing interest and principal payments on the Bonds. Thereafter, the Certificates will be offered only to institutional investors who are "accredited investors" for purposes of Regulation D under the Securities Act of 1933 ("1933 Act"), 17 CFR 230.501-506 (as now or hereafter in effect), and who have knowledge and experience in financial and business matters to be able to evaluate the risks associated with investing in instruments, such as the Certificates, that are not redeemable and represent interests in the principal or interest payments on the underlying Bonds. The

[1] Section 26(a) requires among other things, the custodial arrangement to provide that the Custodian may not make any payment to the Depositor except for payments not exceeding what the SEC may prescribe as a reasonable amount for providing bookkeeping and other administrative services; the Custodian shall have possession of all the securities in which the assets of the trust are invested; and the Custodian shall not resign until the trust is liquidated or a successor Custodian has been designated.

Certificates will not be offered to individuals. The minimum purchase price for Certificates will be $15,000. Since Certificates will be sold at a discount, such minimum purchase price will correspond to a face amount in excess of $150,000.

5. Applicant further expects to (but is not required to) maintain a secondary market for the Certificates. Each Certificate will be transferable and represent the right to receive the single payment of interest or principal to which such Certificate relates at the date of maturity of the Certificate, the payment being equal to the face amount of the Certificate.

6. The issue price of each Certificate will be equal to the present value of the face amount of such Certificate. Each series of Certificates will be offered pursuant to an offering circular containing appropriate disclosure of all amterial aspects of the Certificates and relevant information concerning the Bonds and the Obligor, the custodial arrangement and tax consequences. It the Certificates are issued in connection with a primary distribution of Bonds that is required to be registered under the 1933 Act, the offering circular may be in the form of, or accompanied by, the Bond prospectus.

7. The Bonds may or may not be exempt from the registration provisions of the 1933 Act. In the case of Bonds that are so exempt (for example, obligations issued by certain international financial institutions of which the United States is a member), no trustee typically is appointed or indenture entered into with respect to the initial issuance of the Bonds. For exempt Bonds, however, there is typically a fiscal agency agreement pursuant to which a bank as agent for the Obligor of the Bonds agrees to disburse principal and interest to holders. Bonds that are registered will generally be issued pursuant to an indenture qualified under the Trust Indenture Act of 1939 ("1939 Act").

8. Under the proposed arrangement, the Bonds will be held in name of the Custodian for the benefit of the Certificateholders. The Obligor will pay all interest and principal payments due on the Bonds held in custody directly to the Custodian. The Custodian will disburse the payments to holders of the Certificates to which such payments relate upon their presentation and surrender. In addition, a holder owning Certificates evidencing beneficial ownership of the entire principal amount of a Bond and the remaining unpaid interest due thereon ("Whole Certificate") will be entitled to surrender such Whole Certificate to the Custodian and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of a Bond in an aggregate principal amount corresponding to the Whole Certificate so surrendered. The Custodian will, in effect, act as both the receiving and disbursing agent, and may appoint sub-paying agents.

9. The Custody Agreement will provide that Certificateholders, as owners of direct interests in the Bonds, will possess all of the rights and privileges of owners of the Bonds, except that the Custodian shall have the sole and exclusive right to hold the underlying Bonds on behalf of Certificateholders and to act on behalf of the Certificateholders in the event of a default should they so request (as described below). The Custodian will acknowledge in writing in the Custody Agreement that the Bonds are held for the accounts of Certificateholders and will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Custodian or any person claiming through it. All payments received by the Custodian will be immediately available upon receipt to holders of Certificates entitled to such payments, and the Custodian will not be authorized to exercise, with regard to any such payment received, any investment discretion whatsoever.

10. Applicant's compensation for its activities in connection with the proposed issuance of the Certificates will be an amount equal to the difference between the aggregate amount it receives from the sale of the Certificates and the cost of acquiring the underlying Bonds and the related transaction expenses (including the expenses and charges of the Custodian), and the profits realized, if any, as a result of trading Certificates in the secondary market. Applicant asserts that the purpose of the proposed arrangement is to provide a more flexible market for debt securities of the Obligor, thereby increasing liquidity and assisting financially sophisticated institutional investors in matching their portfolio requirements with such available investments.

11. The indentures governing the issuance of the Bonds will contain provisions permitting acceleration of interest and principal payments upon the occurrence of certain events. Acceleration provisions contained in Bond indentures generally provide that if the Obligor is in default for a given period on the payment of the principal or interest on any bonds or notes (including the Bonds) or of certain other obligations, then the holder of any of the Bonds may elect to accelerate the principal of the Bonds held by him, and the Obligor must pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured.

12. In the aggregate, the Certificateholders' rights in the event of a default on the underlying Bonds will be the same as direct holders of the Bonds, i.e., to elect to accelerate the principal of the Bonds, and thereby make the Obligor pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured. However, under the proposed arrangement, individual Certificateholders will have to notify the Custodian of such holders' election to accelerate and the Custodian will only notify the Obligor that the principal on all of the Bonds represented by a specific Certificate is accelerated if a stated percentage of holders so notify it. Moreover, in the event of such a default by the Obligor, a holder of a Whole Certificate representing ownership of all the principal and remaining unpaid interest due on a Bond will continue to have the above-mentioned right to surrender such Whole Certificate and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of such Bond in the appropriate aggregate principal amount. Such Whole Certificateholder will have the same rights with regard to the defaulted Bond as any other Bondholder.

13. If the Obligor fails to make any payment due on the Bonds, the holder of any Certificate not paid by virtue of such default may sue the Obligor directly, or, if not permitted to maintain such an action under applicable law, he may cause the Custodian to commence or join such an action against the Obligor to recover the amount due on such Certificate at the holder's expense. Also, in the event of a default on any Bonds which triggers acceleration (*e.g.*, non-payment which continues beyond the specified cure period), the holders of 25 percent in the aggregate of "amortized face amount" (as defined in the application) of Certificates then outstanding may direct the Custodian to take such action as such holders deem appropriate with regard to all of the Bonds of the defaulting Obligor then held by the Custodian.

14. In the case of an acceleration, the Custodian, as representative of the Certificateholders, will have the same rights as any other Bondholder to deliver notice to the Obligor (or to the Bond trustee, in a case of Bonds issued pursuant to an indenture qualified under

the 1939 Act) stating that the Custodian elects to declare the principal of all of the Bonds then held by the Custodian to be immediately due and payable. At such time as the Bonds are accelerated, the interest of each holder of Certificates in the Bonds would be transformed into an undivided interest in all of the proceeds thereafter received on such Bonds, allocated in proportion to the relative amortized face amounts of the respective Certificates.

Applicants's Legal Conclusion

1. Without conceding the applicability of the 1940 Act to the proposed offering of the Certificates (absent an acceleration of the obligation to pay the principal and interest on the underlying Bonds upon a default), Applicant asserts that it would be appropriate in the public interest and consistent with the protection of investors and the purposes of the 1940 Act to exempt the proposed arrangement from all provisions of the 1940 Act. Applicant submits that, except in the event of an acceleration of principal and interest payments on the Bonds, the Certificates will represent a direct ownership interest in the principal or interest in the underlying Bonds. Applicant further submits that neither the structure nor the mode of operations of the proposed arrangement resembles a typical investment company, and that offering the Certificates to financially sophisticated institutional investors is not the type of transaction that needs to be regulated under the 1940 Act. Applicant contends that the Custodian will not be trading, dealing, or generally investing in securities and, thus, will not exercise any investment discretion, but will perform only administrative and mechanical functions.

2. Applicant asserts that the selection of the underlying securities will be made prior to the purchase of Certificates, and, thus, will be known by the purchaser at the time of purchase. Moreover, since the Certificates will be sold on the basis of the credit of the Obligor on the underlying Bonds, Applicant asserts that the Certificateholders will look ultimately to the Obligor for their assurance of repayment, not to the Applicant, Depositor or Custodian. Applicant further asserts that even if an investment company is formed upon acceleration of interest and principal payments on the Bonds, such company would be engaged in activities associated with its liquidation and, thus, should be deemed exempt from all provisions of the 1940 Act under section 7(b) of the 1940 Act.

3. In addition, Applicant represents that each Certificate and the Custody Agreement will provide that the Certificateholder is the real party in interest and shall have the right upon default to proceed directly and individually against the Obligor (to the extent permitted by law) in the manner such holder deems appropriate. Because of the structure of the proposed arrangement and the nature of the direct interests represented by Certificates, Applicant asserts that the arrangement will present no risk of loss separate from or in addition to that presented by the underlying investment in the Bonds themselves. Applicant believes that the Custodian's obligation under the Custody Agreement to enforce the Certificateholders' rights will provide a sufficient safeguard against the potential problems associated with a pool of liquid assets that are the principal concern of the 1940 Act and, more generally, will provide adequate assurance that the Certificates will be paid in accordance with their terms.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13891 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15798; File No. 812-6414]

Lincoln Service Capital, Inc.; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 ("1940 Act").

Applicant: Lincoln Service Capital, Inc. on behalf of Lincoln Service Capital Trust I and other similar trusts to be formed for which Lincoln Service Capital, Inc. will be depositor.

Relevant Section of 1940 Act: Exemption requested under section 6(c) of the Act from all provisions of the Act.

Summary of Application: Applicant seeks an order conditionally exempting certain trusts for which it is, or will be, the depositor from all provisions of the Act for the limited purposes of issuing collateralized mortgage obligations, investing in certain mortgage certificates, and selling beneficial interest in such trusts.

Filing Date: The application was filed on June 18, 1986 and amended on March 9 and April 20, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, an order disposing of the application will be issued. Any interested persons may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC no later than 5:30 p.m., on July 1, 1987. Requests must be in writing, setting forth the nature of your interest, the reasons for the request, and the issues contested. Applicants should be served with a copy of the request, either personally or by mail, and the request should also be sent to the Secretary of the SEC, along with proof of service (by affidavit or, in the case of an attorney-at-law, by certificate). Notification of the date of hearing should be requested by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549; Applicant, 1100 Walnut Street, Owensboro, Kentucky 42302.

FOR FURTHER INFORMATION CONTACT: George Martinez, Staff Attorney (202) 272-3040 or Curtis R. Hilliard, Special Counsel (202) 272-3026, Office of Investment Company Regulation.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300.

Applicant's Representations

1. Applicant is a direct, wholly-owned limited purpose subsidiary of Lincoln Service Corporation, a wholesale mortgage banking organization engaged in the origination, sale and servicing of mortgage loans on residential real estate. Lincoln Service Corporation is a wholly-owned service corporation sudsidiary of Great Financial Federal, a federally-chartered savings and loan association headquartered in Louisville, Kentucky. Applicant has filed this application on behalf of Lincoln Service Capital Trust I and other similar trusts to be formed for which Applicant will be a depositor ("Trusts").

2. Applicant was incorporated under the laws of Delaware on April 15, 1986 and organized for certain limited purposes, including establishing the Trusts and selling the beneficial interests therein. Applicant intends to form one or more Trusts for the limited purposes of issuing one or more series ("Series") of collateralized mortgage obligations ("Bonds") secured primarily by Mortgage Certificates (as hereafter defined), and performing certain related activities.

3. Each Trust will be established pursuant to a separate deposit trust agreement (each a "Deposit Trust

Agreement") between Applicant and an independent bank, trust company or other fiduciary, acting as trustee for the beneficial owners of the Trusts ("Owner Trustee"). Pursuant to each Deposit Trust Agreement, Applicant will deposit with each Trust the collateral which will be pledged by the Trust to secure each Series of Bonds ("Collateral"), in exchange for the proceeds of the issuance of the Bonds. Each Trust will hold no other substantial assets and may not issue any securities other than the Bonds or the certificates of beneficial interests therein.

4. The securities issued by any Trust may constitute "regular interests" or "residual interests" in a "real estate mortgage investment conduit" ("REMIC") under the Internal Revenue Code of 1986. Alternatively, the Trust may elect not to be treated as a REMIC.

5. Each Trust will issue one or more Series of Bonds pursuant to the terms of an indenture ("Original Indenture") as supplemented by one or more series supplements ("Series Supplements", together with the Original Indenture, "Indenture") between the Owner Trustee and an independent commercial bank acting as trustee for the bondholders ("Indenture Trustee"). The Indenture will be qualified under the Trust Indenture Act of 1939 unless an appropriate exemption is available.

6. Each Series of Bonds will consist of one or more classes ("Classes"), which may include one or more Classes of compound interest Bonds or floating interest Bonds. Each Class of Bonds will bear a separate interest rate and have a separate stated maturity. Interest will be paid or accrued on each Class of Bonds on the basis of its adjusted aggregate principal amount.

7. The Bonds of each Series will be secured by a separate pool of Collateral consisting primarily of Mortgage Certificates. The Collateral will be pledged by the Owner Trustee to the Indenture Trustee pursuant to the Indenture. The Indenture Trustee will retain a first priority perfected security interest in such Collateral for the benefit of the Bondholders in the event of default under the Indenture. Collateral for a Series of Bonds will not secure any other Series of Bonds or any other obligations of the Applicant, the Trust, or any other Trust formed by Applicant.

8. The Mortgage Certificates collateralizing the Bonds will include mortgage-backed certificates guaranteed by the Government National Mortgage Association ("GNMA Certificates"), mortgage participation certificates issued or guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC Certificates"), or guaranteed mortgage pass-through securities issued or guaranteed by the Federal National Mortgage Association ("FNMA Certificates"). A portion of the Mortgage Certificates may be "partial-pool" certificates, representing less than 100% of the Mortgage Certificates issued with respect to the particular pool of mortgage loans backing such certificates.

9. Each Series of Bonds will also be secured by a Collateral Proceeds Account into which the distributions of principal and interest received from the Mortgage Certificates will be deposited, together with reinvestment earnings thereon. In addition, the Collateral for such Series may also include various other funds and accounts as may be necessary to obtain the desired rating on the Bonds specified in the related Series Supplement.

10. The Indenture Trustee is authorized under the Indenture to invest the funds in the Collateral Proceeds Account, and various other funds or accounts relating to a Series of Bonds, in certain limited eligible investments ("Eligible Investments"). Amounts in the Collateral Proceeds Account will be reinvested only until the next payment date on the Bonds.

11. To the extent specified in the related Series Supplement, Bonds of any Series having other than monthly payment dates will be subject to mandatory redemption ("Special Redemption") if, as a result of principal payments on the Mortgage Certificates securing the Bonds and the currently available reinvestment yields, the Indenture Trustee determines, based on specified criteria, that the debt service requirements for the Bonds of that Series cannot be met. Any such Special Redemption would be limited to the principal amount of the Bonds of the Series that would otherwise be required to be paid on the next payment date. The Bonds of any Series may also be subject to redemption at the option of the beneficial owners of the related Trust in the event that the aggregate outstanding principal amount of such Bonds is less than a specified percentage, or under other limited circumstances specified in the related Series Supplement.

12. For each Series of Bonds: (a) The payments on the mortgage loans underlying the Mortgage Certificates securing the Bonds will be the primary source of funds for payments of principal and interest due to such Bonds; (b) the Bonds will be secured by Collateral consisting primarily of Mortgage Certificates having an aggregate collateral value at the time of issurance of the Bonds and following each Bond payment date at least equal to but not more than 120% of the aggregate outstanding original principal balance of such Bonds; (c) scheduled distributions of principal and interest payments received from the Mortgage Certificates securing the Bonds (together with any required payments from any reserve funds with respect to the Bonds) plus income received thereon at the assumed reinvestment rate will be sufficient to make the interest payments on the Bonds and amortize the principal on each Class of Bonds by its respective stated maturity; and (d) the Mortgage Certificates will be pledged in their entirety by each Trust to the Indenture Trustee and will be subject to the lien of the Indenture.

13. Initially the beneficial ownership of each Trust will be held solely by Applicant. However, simultaneously with the issuance of the Bonds, or at some late date, Applicant may sell beneficial ownership interests in each Trust in the form of "Certificates of Beneficial Interest" to a limited number of sophisticated institutional investors (in no event more than 100) in transactions exempt from the registration requirements of the Securities Act of 1933 ("1933 Act"). Such institutional investors may include banks, savings and loan associations, insurance companies, pension plans or other institutions of the type which customarily engage in the purchase of mortgages, other mortgage-related securities or real estate ("Eligible Institutions").

14. The Certificates of Beneficial Interest will entitle each owner thereof to receive its respective pro-rate portion of any net Excess Cash Flow received by the Trust. Such Excess Cash Flow, as of each payment date for the Bonds, is the amount, if any, by which the distributions of principal and interest received from the Mortgage Certificates securing the related Series of Bonds and on deposit in the Collateral Proceeds Account (including amounts deposited therein from any reserve funds) together with any reinvestment income thereon exceeds the sum of (1) the minimum principal payment required to be made on the Bonds on that payment date, (2) the interest payable on the Bonds that payment date (excluding interest accrued on and to be added to the principal of any Class of compound interest Bonds) and (3) certain unpaid administrative fees and expenses. The balance of the Excess Cash Flow will be remitted to the Owner Trustee following the related Bond payment date for distribution to the beneficial owners of the Trust.

15. The Owner Trustee is authorized under each Deposit Trust Areement to make loans to the beneficial owners of the related Trust upon the consent of beneficial owners representing 60% of the beneficial ownership of such Trust, excluding the ownership interest of the prospective borrower. These loans will involve assets released from the lien of the Indenture after payment of the Bonds and no longer pledged as Collateral to secure any Series of Bonds. The making of such loans will augment the equity of the beneficial owners in the related Trust since a beneficial owner could (1) contribute additional capital to the Trust or (2) permit its distributions of Excess Cash Flow to be retained by the Trust, and, in either case, have such assets lent to such Owner on a demand basis. The making of any such loans will not adversely effect the ability of the Trust to meet the debt service obligations on any Series of Bonds because such loans involve Excess Cash Flow or additional paid-in-capital. In the event that a Trust makes a REMIC election with respect to a particular Series, the Deposit Trust Agreement for such Series will not include a provision permitting the Owner Trustee to make loans to the beneficial owners.

16. Purchasers of Certificates of Beneficial Interest will agree to be bound by the terms of the applicable Deposit Trust Agreement. Unless the Trust makes a REMIC election, the beneficial owners are liable for the expenses, taxes and a limited number of other liabilities of the Trust (not including the principal and interest on the Bonds) to the extent not previously paid from the proceeds of the Collateral or from any expense reserve funds for the Trust.

Applicant's Conditions

Applicant expressly agrees to the following conditions with respect to the requested order:

(1) Each Class of adjustable or floating interest Bonds will have a set maximum interest rate.

(2) At the time of the deposit of the Collateral with the Trust, as well as during the life of the Bonds, the scheduled payments or principal and interest to be received by the Trustee on all Mortgage Certificates pledged to secure the Bonds, plus reinvestment income thereon, and funds, if any, pledged to secure the Bonds will be sufficient to make all payments of principal and interest on the Bonds then outstanding, assuming the maximum interest rate on each Class of adjustable or floating interest Bonds. Such Mortgage Certificates will be paid down as the mortgage loans underlying the Mortgage Certificates are repaid and, subject to the limited rights of substitution set forth in item (3) herein, will not be released from the lien of the Indenture prior to the payment of the Bonds.

A. Conditions relating to the issuance of Bonds:

(1) Each Series of Bonds will be registered under the 1933 Act, unless offered in a transaction exempt from registration pursuant to Section 4(2) thereof.

(2) The Bonds will be "mortage related securities" within the meaning of section 3(a)(41) of the Securities Exchange Act of 1934 and the collateral directly securing the Bonds will be limited to GNMA Certificates, FNMA Certificates or FHLMC Certificates.

(3) If new Mortgage Certificates are substituted, such substitute Mortgage Certificates must: (i) Be of equal or better quality than the collateral replaced; (ii) have similar payment terms and cash flow as the collateral replaced; (iii) be insured or guaranteed to the same extent as the collateral replaced; and (iv) meet the conditions set forth in paragraphs (2) and (4). In addition, new Mortgage Certificates may not be substituted for more than 40% of the aggregate face amount of the Mortgage Certificates initially pledged as Collateral. In no event may any new Mortgage Certificates be substituted for any substitute Mortgage Certificates.

(4) All Collateral securing a Series of Bonds will be held by the Indenture Trustee, or on behalf of the Indenture Trustee by an independent custodian. Neither the Indenture Trustee nor the custodian will be an affiliate (as that term is defined in Rule 405 under the 1933 Act) of Applicant. The Indenture Trustee will be provided with a first priority perfected security or lien interest in and to all Collateral.

(5) Each Series of Bonds will be rated in one of the two highest bond rating categories by at least one nationally recognized statistical Rating Agency that is not affiliated with Applicant. The Bonds will not be considered "redeemable securities" within the meaning of section 2(a)(32) of the Act.

(6) No less often than annually, an independent public accountant will audit the books and records of each Trust and will report on whether the anticipated scheduled distributions of principal and interest received from the Mortgage Certificates and available deposits from other funds and accounts included in the Collateral continue to be adequate to pay the principal of and interest on the Bonds in accordance with their terms. Copies of the auditor's report(s) will be provided to the Indenture Trustee upon completion.

B. Conditions relating to the issuance of Certificates of Beneficial Interest:

In addition to the following conditions, the representations regarding the Certificates of Beneficial Interest discussed previously and more fully in the application are made express conditions to the requested order.

(1) Applicant will not sell Certificates of Beneficial Interest in any Trust to more than a limited number of sophisticated institutional investors (in no event more than 100) in transactions exempt from the 1933 Act pursuant to section 4(2) thereof. Such institutional investors will be of the type which customarily engage in the purchase of mortgages, mortgage-related securities or real estate. Moreover, each purchaser will be required to represent that it is obtaining the Certificates of Beneficial Interest for investment purposes only.

(2) No transfer of any Certificate of Beneficial Interest will be effective if there would be more than one hundred holders of the Certificates of Beneficial Interest at any time.

(3) Neither Applicant, the Owner Trustee, nor any beneficial owner of a controlling interest in any Trust (as "control" is defined in the 1933 Act, Rule 405) will be affiliated with (a) the Indenture Trustee, (b) any custodian which may hold the Collateral on behalf of the Indenture Trustee or (c) any nationally recognized statistical Rating Agency rating the Bonds of any Series.

(4) Except for the limited right to substitute Mortgage Certificates set forth above, it will not be possible for the beneficial owners to alter the Collateral initially deposited into a Trust. In no event will such limited right to substitute Mortgage Certificates result in a diminution in the value or quality of such Collateral.

(5) The ability of Applicant to sell ownership interests in each Trust will not impact upon the payments of principal and interest on the Bonds or alter the cash flows under the Indenture, including the amounts to be deposited in the Collateral Proceeds Account or in any reserve funds to support payments of principal and interest on the Bonds.

(6) The expenses of the Trust (including the projected administrative expenses of operating the Trust) will be covered through one or a combination of the methods described in the application. The election by any Trust to be treated as a REMIC will have no effect on the level of expenses that will be incurred by any such trust.

The requested order is necessary and appropriate in the public interest

because: (a) The Trusts should not be deemed to be entities to which the provisions of the Act were intended to be applied; (b) the Trusts may be unable to proceed with their proposed activities if the uncertainties concerning the applicability of the Act are not removed; (c) the Trust's activities are intended to serve a recognized and critical public need; (d) granting of the requested order will be consistent with the protection of investors because they will be protected during the offering and sale of the Bonds by the registration or exemption provisions of the 1933 Act and thereafter by the Indenture Trustee representing their interests under the Indenture; and (e) the Certificates of Beneficial Interest in the Trusts will either be held entirely by Applicant or be offered only to a limited number of sophisticated institutional investors through private placements.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13892 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-15802; 811-821]

Louisville Investment Co.; Application for De-Registration

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for de-registration under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Louisville Investment Co ("Applicant").

Relevant 1940 Act Section: Section 8(f).

Summary of Application: Applicant seeks an order declaring that it has ceased to be an investment company.

Filing Dates: The application was filed on November 3, 1986, and amended on June 4, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any itnerested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, 2600 Citizens Plaza, Louisville, Kentucky 40202.

FOR FURTHER INFORMATION CONTACT: Paul J. Heaney, (202) 272-2847, or Special Counsel Karen L. Skidmore, (202) 272-3023, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person, or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300.)

Applicants' Representations

1. Applicant filed Form N-8A under the 1940 Act on July 7, 1958 to register as a closed-end, diversified management investment company and filed a registration statement pursuant to section 8(b) of the 1940 Act on October 3, 1958.

2. Applicant is a Kentucky corporation. On October 21, 1986, Applicant caused a Statement of Intent to Dissolve to be filed by the Kentucky Secretary of State and intends to cause Articles of Dissolution to be filed by the Kentucky Secretary of State after receiving the order requested in this application, following which, a Certificate of Dissolution would be issued.

3. On September 10, 1986, the Board of Directors of Applicant adopted a resolution recommending the liquidation and dissolution of Applicant and directing that such action be submitted to a vote of the shareholders. Proxy material was distributed to the shareholders prior to a Special Meeting held on October 20, 1986, where the shareholders approved and adopted a Plan of Complete Liquidation and Dissolution.

4. On October 31, 1986, Applicant distributed to Citizens Fidelity Bank and Trust Company of Louisville, Kentucky (the "Liquidating Agent") the sum of $22,188,100 as a first liquidating distribution for all of the 151 holders of the 80,684 shares of Applicant's common stock, of record as of October 20, 1986. This distribution represented about 97.8% of Applicant's total assets. On December 1, 1986, Applicant distributed to the Liquidating Agent the sum of $322,736 for payment of a second liquidating distribution. On December 15, 1986, the Liquidating Agent paid $963 to the Kentucky Revenue Cabinet in respect of liquidating distributions payable to the only three holders of record of common stock unable to be located. There is no statute of limitations on claims of such distributions filed with the state. The remaining assets, which amounted to $55,281 as of May 1, 1987, have been deposited with the Liberty National Bank and Trust Company of Louisville, Kentucky as a fund ("Fund") for the payment of unknown, contingent or unascertained liabilities of Applicant. It is expected that the unexpended balance of the Fund, if any, will be distributed to the recipients of the first two liquidating distributions on or before October 1, 1987.

5. Applicant is not a party to any litigation or administrative proceedings except that it had interests as a claimant in a class action suit involving Burroughs Corporation stock. Applicant's interests were assigned to the Fund on December 1, 1986 and the Fund will bear the costs, if any, associated with the claim.

6. Applicant does not have any shareholders; it does not have any assets or liabilities except that referred to above; and it is not now engaged, and does not propose to engage, in any business activities other than those necessary for the winding up of its affairs.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13893 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-15800; 812-6721]

Morgan Stanley & Co., Inc.; Application

Dated: June 11, 1987.

AGENCY: Securities and Exchange Commission (the "SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "1940 Act").

Application: Morgan Stanley & Co., Inc.

Relevant 1940 Act Section: Exemption requested under section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant requests an exemption from all provisions of the 1940 Act so that it can issue "stripped" certificates representing interests in the principal or interest payments due on certain bonds held in the custody of a major commercial bank.

Filing Date: The application was filed on May 13, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for attorneys, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, c/o Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, New York 10005. Attention: Scot Johnston, Esq.

FOR FURTHER INFORMATION CONTACT: Sherry A. Hutchins, Staff Attorney at (202) 272–2799 or Brion R. Thompson, Special Counsel at (202) 272–3016, Office of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATON: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300)).

Applicant's Representations

1. Applicant, a Delaware Corporation, is registered as a broker-dealer under the Securities Exchange Act of 1934.

2. Applicant proposes to offer for sale component parts of interest-bearing bonds (the "Bonds") issued or to be issued by an international financial institution (e.g., the World Bank, the Inter-American Development Bank or the Asian Development Bank), foreign sovereign government, or corporation (the "Obligor"). It is anticipated that the Bonds will be intermediate term securities with maturities ranging from five to eight years.

3. Applicant or an affiliate thereof (as "Depositor") will purchase directly from the Obligor, or in the secondary market, some or all of the Bonds of a single series and deposit them with a bank (the "Custodian"). The Bond will be held in the Custodian's name pursuant to a custody and agency agreement (the "Custody Agreement") meeting the requirements for unit investment trusts in section 26(a) of the 1940 Act.[1] Applicant proposes that the corporate trust department of a major commercial bank (with total assets of not less than $500,000,000) act as its Custodian, and states that it will pay the annual fee and certain expenses of the Custodian.

4. Upon deposit of the Bonds, the Custodian will deliver to Applicant certain deposit receipts (the "Certificates") representing interests in the serially maturing interest and principal payments on the Bonds. Thereafter, the Certificates will be offered only to institutional investors who are "accredited investors" for purposes of Regulation D under the Securities Act of 1933 ("1933 Act"), 17 CFR 230.501–506 (as now or hereafter in effect), and who have knowledge and experience in financial and business matters to be able to evaluate the risks associated with investing in instruments, such as the Certificates, that are not redeemable and represent interests in the principal or interest payments on the underlying Bonds. The Certificates will not be offered to individuals. The minimum purchase price for Certificates will be $150,000. Since Certificates will be sold at a discount, such minimum purchase price will correspond to a face amount in excess of $150,000.

5. Applicant further expects to (but is not required to) maintain a secondary market for the Certificates. Each Certificate will be transferable and represent the right to receive the single payment of interest or principal to which such Certificate relates at the date of maturity of the Certificate, the payment being equal to the face amount of the Certificate.

6. The issue price of each Certificate will be equal to the present value of the face amount of such Certificate. Each series of Certificates will be offered pursuant to an offering circular containing appropriate disclosure of all material aspects of the Certificates and relevant information concerning the Bonds and the Obligor, the custodial arrangement and tax consequences. If the Certificates are issued in connection with a primary distribution of Bonds that is required to be registered under the 1933 Act, the offering circular may be in the form of, or accompanied by, the Bond prospectus.

7. The Bonds may or may not be exempt from the registration provisions of the 1933 Act. In the case of Bonds that are so exempt (for example, obligations issued by certain international financial institutions of which the United States is a member), no trustee typically is appointed or indenture entered into with respect to the initial issuance of the Bonds. For exempt Bonds, however, there is typically a fiscal agency agreement pursuant to which a bank as agent for the Obligor of the Bonds agrees to disburse principal and interest to holders. Bonds that are registered will generally be issued pursuant to an indenture qualified under the Trust Indenture Act of 1939 ("1939 Act").

8. Under the proposed arrangement, the Bonds will be held in name of the Custodian for the benefit of the Certificateholders. The Obligor will pay all interest and principal payments due on the Bonds held in custody directly to the Custodian. The Custodian will disburse the payments to holders of the Certificates to which such payments relate upon their presentation and surrender. In addition, a holder owning Certificates evidencing beneficial ownership of the entire principal amount of a Bond and the remaining unpaid interest due thereon ("Whole Certificate") will be entitled to surrender such Whole Certificate to the Custodian and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of a Bond in an aggregate principal amount corresponding to the Whole Certificate so surrendered. The Custodian will, in effect, act as both the receiving and disbursing agent, and may appoint sub-paying agents.

9. The Custody Agreement will provide that Certificateholders, as owners of direct interests in the Bonds, will possess all of the rights and privileges of owners of the Bonds, except that the Custodian shall have the sole and exclusive right to hold the underlying Bonds on behalf of Certificateholders and to act on behalf of the Certificateholders in the event of a default should they so request (as described below). The Custodian will acknowledge in writing in the Custody Agreement that the Bonds are held for the accounts of Certificateholders and will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Custodian or any person claiming through it. All payments received by the Custodian will be immediately available upon receipt to holders of Certificates entitled to such payments, and the Custodian will not be authorized to exercise, with regard to

[1] Section 26(a) requires among other things, the custodial arrangement to provide that the Custodian may not make any payment to the Depositor except for payments not exceeding what the SEC may prescribe as a reasonable amount for providing bookkeeping and other administrative services; the Custodian shall have possession of all the securities in which the assets of the trust are invested; and the Custodian shall not resign until the trust is liquidated or a successor Custodian has been designated.

any such payment received, any investment discretion whatsoever.

10. Applicant's compensation for its activities in connection with the proposed issuance of the Certificates will be an amount equal to the difference between the aggregate amount it receives from the sale of the Certificates and the cost of acquiring the underlying Bonds and the related transaction expenses (including the expenses and charges of the Custodian), and the profits realized, if any, as a result of trading Certificates in the secondary market. Applicant asserts that the purpose of the proposed arrangement is to provide a more flexible market for debt securities of the Obligor, thereby increasing liquidity and assisting financially sophisticated institutional investors in matching their portfolio requirements with such available investments.

11. The indentures governing the issuance of the Bonds will contain provisions permitting acceleration of interest and principal payments upon the occurrence of certain events. Acceleration provisions contained in Bond indentures generally provide that if the Obligor is in default for a given period on the payment of the principal or interest on any bonds or notes (including the Bonds) or of certain other obligations, then the holder of any of the Bonds may elect to accelerate the principal of the Bonds held by him, and the Obligor must pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured.

12. In the aggregate, the Certificateholders' rights in the event of a default on the underlying Bonds will be the same as direct holders of the Bonds, i.e., to elect to accelerate the principal of the Bonds, and thereby make the Obligor pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured. However, under the proposed arrangement, individual Certificateholders will have to notify the Custodian of such holders' election to accelerate and the Custodian will only notify the Obligor that the principal on all of the Bonds represented by a specific Certificate is accelerated if a stated percentage of holders so notify it. Moreover, in the event of such a default by the Obligor, a holder of a Whole Certificate representing ownership of all the principal and remaining unpaid interest due on a Bond will continue to have the above-mentioned right to surrender such Whole Certificate and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of such Bond in the appropriate aggregate principal amount. Such Whole Certificateholder will have the same rights with regard to the defaulted Bond as any other Bondholder.

13. If the Obligor fails to make any payment due on the Bonds, the holder of any Certificate not paid by virtue of such default may sue the Obligor directly, or, if not permitted to maintain such an action under applicable law, he may cause the Custodian to commence or join such an action against the Obligor to recover the amount due on such Certificate at the holder's expense. Also, in the event of a default on any Bonds which triggers acceleration (*e.g.*, non-payment which continues beyond the specified cure period), the holders of 25 percent in the aggregate of "amortized face amount" (as defined in the application) of Certificates then outstanding may direct the Custodian to take such action as such holders deem appropriate with regard to all of the Bonds of the defaulting Obligor then held by the Custodian.

14. In the case of an acceleration, the Custodian, as representative of the Certificateholders, will have the same rights as any other Bondholder to deliver notice to the Obligor (or to the Bond trustee, in a case of Bonds issued pursuant to an indenture qualified under the 1939 Act) stating that the Custodian elects to declare the principal of all of the Bonds then held by the Custodian to be immediately due and payable. At such time as the Bonds are accelerated, the interest of each holder of Certificates in the Bonds would be transformed into an undivided interest in all of the proceeds thereafter received on such Bonds, allocated in proportion to the relative amortized face amounts of the respective Certificates.

Applicant's Legal Conclusions

1. Without conceding the applicability of the 1940 Act to the proposed offering of the Certificates (absent an acceleration of the obligation to pay the principal and interest on the underlying Bonds upon a default), Applicant asserts that it would be appropriate in the public interest and consistent with the protection of investors and the purposes of the 1940 Act to exempt the proposed arrangement from all provisions of the 1940 Act. Applicant submits that, except in the event of an acceleration of principal and interest payments on the Bonds, the Certificates will represent a direct ownership interest in the principal or interest in the underlying Bonds. Applicant further submits that neither the structure nor the mode of operations of the proposed arrangement resembles a typical investment company, and that offering the Certificates to financially sophisticated institutional investors is not the type of transaction that needs to be regulated under the 1940 Act. Applicant contends that the Custodian will not be trading, dealing, or generally investing in securities and, thus, will not exercise any investment discretion, but will perform only administrative and mechanical functions.

2. Applicant asserts that the selection of the underlying securities will be made prior to the purchase of Certificates, and, thus, will be known by the purchaser at the time of purchase. Moveover, since the Certificates will be sold on the basis of the credit of the Obligor on the underlying Bonds, Applicant asserts that the Certificateholders will look ultimately to the Obligor for their assurance of repayment, not to the Applicant, Depositor or Custodian. Applicant further asserts that even if an investment company is formed upon acceleration of interest and principal payments on the Bonds, such company would be engaged in activities associated with its liquidation and, thus, should be deemed exempt from all provisions of the 1940 Act under section 7(b) of the 1940 Act.

3. In addition, Applicant represents that each Certificate and the Custody Agreement will provide that the Certificateholder is the real party in interest and shall have the right upon default to proceed directly and individually against the Obligor (to the extent permitted by law) in the manner such holder deems appropriate. Because of the structure of the proposed arrangement and the nature of the direct interests represented by Certificates, Applicant asserts that the arrangement will present no risk of loss separate from or in addition to that presented by the underlying investment in the Bonds themselves. Applicant believes that the Custodian's obligation under the Custody Agreement to enforce the Certificateholders' rights will provide a sufficient safeguard against the potential problems associated with a pool of liquid assets that are the principal concern of the 1940 Act and, more generally, will provide adequate assurance that the Certificates will be paid in accordance with their terms.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13894 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-24408]

Filings Under the Public Utility Holding Company Act of 1935 ("Act")

June 11, 1987.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 6, 1987 to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant application(s) and/or declarant(s) at the addresses specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of my notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Massachusetts Electric Company (70-7409)

Massachusetts Electric Company ("Mass. Electric"), 25 Research Drive, Westborough, Massachusetts 01582, a wholly owned electric utility subsidiary of New England Electric System, a registered holding company, has filed an application-declaration pursuant to sections 6(a), 7, 9(a), 10 and 12(c) of the Act and Rule 42 thereunder.

Mass. Electric proposes to issue and sell through June 30, 1989, one or more series of first mortgage bonds in an aggregate principal amount not exceeding $100 million. The interest rate and price of each series of bonds will be determined by competitive bidding. If market conditions exist that make competitive bidding impracticable or undesirable, Mass. Electric will seek supplemental authorization pursuant to Rule 50 for sales on a negotiated or private placement basis.

Proceeds from the sale of Mass. Electric's first mortgage bonds would be applied to the cost of, or the reimbursement of its treasury for, the payment of short-term borrowings incurred for (i) capitalizable additions and improvements to Mass. Electric's plant and property, and/or (ii) the acquisition of a portion of its first mortgage bonds through open market purchases if market conditions warrant.

Indiana & Michigan Electric Company (70-7410)

Indiana & Michigan Electric Company ("IM"), One Summit Square, Fort Wayne, Indiana 47801, a wholly owned electric utility subsidiary of the American Electric Power Company, Inc., a registered holding company, has filed a declaration pursuant to sections 6(a), 7 and 12(c) of the act and Rules 42 and 50 thereunder.

IM proposes to issue and sell through December 31, 1988 in one or more transactions up to $300,000,000 aggregate principal amount of (i) first mortgage bonds, (ii) cumulative preferred stock and/or (iii) unsecured long term notes. Both the bonds and the preferred stock would be sold at competitive bidding. However, IM may later request authorization from the Commission to sell all or a portion of the bonds and/or preferred stock on a negotiated basis.

Unsecured promissory notes are proposed to be issued for a term of not less than two nor more than ten years from the date of borrowing. They would bear interest to maturity of a rate not greater than 13% per year.

Monongahela Power Company, et al. (70-7411)

Monongahela Power Company ("Monongahela"), 1310 Fairmont Avenue, Fairmont, West Virginia 26554, and The Potomac Edison Company ("PE"), Downsville Pike, Hagerstown, Maryland 21750, subsidiaries of Allegheny Power System, Inc. ("APS"), 320 Park Avenue, New York, New York 10022, a registered holding company, have filed an application-declaration pursuant to sections 6, 7, 9, 10 and 12 of the Act.

Monongahela and PE each propose to amend their charters to increase the number of shares of common stock from 5,460,000 to 7,000,000 shares, $50 par, and from 13,400,000 to 16,000,000 shares, no par, respectively. Each subsidiary proposes to issue and sell common stock to APS, and APS proposes to acquire the common stock from time to time prior to December 31, 1987 in amount not to exceed $25 million (500,000 shares) from Monongahela and $25 million (1,250,000 shares) from PE.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13884 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-15799; 812-6748]

Application for Exemption; Shearson Lehman Brothers, Inc.

Dated: June 11, 1987.

AGENCY: Securities and Exchange Commission (the "SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Shearson Lehman Brothers Inc.

Relevant 1940 Act Section: Exemption requested under section 6(c) from all provisions of the 1940 Act.

Summary of Application: Applicant requests an exemption from all provisions of the 1940 Act so that it can issue "stripped" certificates representing interests in the principal or interest payments due on certain bonds held in the custody of a major commercial bank.

Filing Date: The application was filed on June 4, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavid, or, for attorneys, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, American Express Tower, World Financial Center, New York, New York 10285.

FOR FURTHER INFORMATION CONTACT: Sherry A. Hutchins, Staff Attorney at (202) 272-2799 or Brion R. Thompson, Special Counsel at (202) 272-3016, Office

of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231–3282 (in Maryland (301) 258–4300)).

Applicant's Representations

1. Applicant is a Delaware Corporation that is an indirect majority-owned subsidiary of American Express Company. Applicant also is registered as a broker-dealer under the Securities Exchange Act of 1934.

2. Applicant proposes to offer for sale component parts of interest-bearing bonds (the "Bonds") issued or to be issued by an international financial institution (e.g., the World Bank, the Inter-American Development Bank or the Asian Development Bank), foreign sovereign government, or corporation (the "Obligor"). Applicant anticipates that the Bonds will be intermediate term securities with maturities ranging from five to eight years.

3. Applicant or an affiliate thereof (as "Depositor") will purchase directly from the Obligor, or in the secondary market, some or all of the Bonds of a single series and deposit them with a bank (the "Custodian"). The Bonds will be held in the Custodian's name pursuant to a custody and agency agreement (the "Custody Agreement") meeting the requirements for unit investment trusts in section 26(a) of the 1940 Act.[1] Applicant proposes that the corporate trust department of a major commercial bank (with total assets of not less than $500,000,000) act as its Custodian, and states that it will pay the annual fee and certain expenses of the Custodian.

4. Upon deposit of the Bonds, the Custodian will deliver to Applicant certain deposit receipts (the "Certificates") representing interests in the serially maturing interest and principal payments on the Bonds. Thereafter, the Certificates will be offered only to institutional investors who are "accredited investors" for purposes of Regulation D under the Securities Act of 1933 ("1933 Act"), 17 CFR 230.501–506 (as now or hereafter in effect), and who have knowledge and experience in financial and business matters to be able to evaluate the risks associated with investing in instruments, such as the Certificates, that are not redeemable and represent interests in the principal or interest payments on the underlying Bonds. The Certificates wil not be offered to individuals. The minimum purchase price for Certificates will be $150,000. Since Certificates will be sold at a discount, such minimum purchase price will correspond to a face amount in excess of $150,000.

5. Applicant further expects to (but is not required to) maintain a secondary market for the Certificates. Each Certificate will be transferable and represent the right to receive the single payment of interest or principal to which such Certificate relates at the date of maturity of the Certificate, the payment being equal to the face amount of the Certificate.

6. The issue price of each Certificate will be equal to the present value of the face amount of such Certificate. Each series of Certificates will be offered pursuant to an offering circular containing appropriate disclosure of all material aspects of the Certificates and relevant information concerning the Bonds and the Obligor, the custodial arrangement and tax consequences. If the Certificates are issued in connection with a primary distribution of Bonds that is required to be registered under the 1933 Act, the offering circular may be in the form of, or accompanied by, the Bond prospectus.

7. The Bonds may or may not be exempt from the registration provisions of the 1933 Act. In the case of Bonds that are so exempt (for example, obligations issued by certain international financial institutions of which the United States is a member), no trustee typically is appointed or indenture entered into with respect to the initial issuance of the Bonds. For exempt Bonds, however, there is typically a fiscal agency agreement pursuant to which a bank as agent for the Obligor of the Bonds agrees to disburse principal and interest to holders. Bonds that are registered will generally be issued pursuant to an indenture qualified under the Trust Indenture Act of 1939 ("1939 Act").

8. Under the proposed arrangement, the Bonds will be held in name of the Custodian for the benefit of the Certificateholders. The Obligor will pay all interest and principal payments due on the Bonds held in custody directly to the Custodian. The Custodian will disburse the payments to holders of the Certificates to which such payments relate upon their presentation and surrender. In addition, a holder owning Certificates evidencing beneficial ownership of the entire principal amount of a Bond and the remaining unpaid interest due thereon ("Whole Certificate") will be entitled to surrender such Whole Certificate to the Custodian and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of a Bond in an aggregate principal amount corresponding to the Whole Certificate so surrendered. The Custodian will, in effect, act as both the receiving and disbursing agent, and may appoint sub-paying agents.

9. The Custody Agreement will provide that Certificateholders, as owners of direct interests in the Bonds, will possess all of the rights and privileges of owners of the Bonds, except that the Custodian shall have the sole and exclusive right to hold the underlying Bonds on behalf of Certificateholders and to act on behalf of the Certificateholders in the event of a default should they so request (as described below). The Custodian will acknowledge in writing in the custody Agreement that the Bonds are held for the accounts of Certificateholders and will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Custodian or any person claiming through it. All payments received by the Custodian will be immediately available upon receipt to holders of Certificates entitled to such payments, and the Custodian will not be authorized to exercise, with regard to any such payment received, any investment discretion whatsoever.

10. Applicant's compensation for its activities in connection with the proposed issuance of the Certificates will be an amount equal to the difference between the aggregate amount it receives from the sale of the Certificates and the cost of acquiring the underlying Bonds and the related transaction expenses (including the expenses and charges of the Custodian), and the profits realized, if any, as a result of trading Certificates in the secondary market. Applicant asserts that the purpose of the proposed arrangement is to provide a more flexible market for debt securities of the Obligor, thereby increasing liquidity and assisting financially sophisticated institutional investors in matching their portfolio requirements with such available investments.

11. The indentures governing the issuance of the Bonds will contain provisions permitting acceleration of interest and principal payments upon

[1] Section 26(a) requires among other things, the custodial arrangement to provide that the Custodian may not make any payment to the Depositor except for payments not exceeding what the SEC may prescribe as a reasonable amount for providing bookkeeping and other administrative services; the Custodian shall have possession of all the securities in which the assets of the trust are invested; and the Custodian shall not resign until the trust is liquidated or a successor Custodian has been designated.

the occurrence of certain events. Acceleration provisions contained in Bond indentures generally provide that if the Obligor is in default for a given period on the payment of the principal or interest on any bonds or notes (including the Bonds) or of certain other obligations, then the holder of any of the Bonds may elect to accelerate the principal of the Bonds held by him, and the Obligor must pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured.

12. In the aggregate, the Certificateholders' rights in the event of a default on the underlying Bonds will be the same as direct holders of the Bonds, i.e., to elect to accelerate the principal of the Bonds, and thereby make the Obligor pay such principal, together with interest accrued thereon through the date of payment, unless prior to that time all such defaults are cured. However, under the proposed arrangement, individual Certificateholders will have to notify the Custodian of such holders' election to accelerate and the Custodian will only notify the Obligor that the principal on all of the Bonds represented by a specific Certificate is accelerated if a stated percentage of holders so notify it. Moreover, in the event of such a default by the Obligor, a holder of a whole Certificate representing ownership of all the principal and remaining unpaid interest due on a Bond will continue to have the above-mentioned right to surrender such Whole Certificate and direct the Custodian to register on the books of the Obligor's fiscal agent a transfer to that holder of such Bond in the appropriate aggregate principal amount. Such Whole Certificateholder will have the same rights with regard to the defaulted Bond as any other Bondholder.

13. If the Obligor fails to make any payment due on the Bonds, the holder of any Certificate not paid by virtue of such default may sue the Obligor directly, or, if not permitted to maintain such an action under applicable law, he may cause the Custodian to commence or join such an action against the Obligor to recover the amount due on such Certificate at the holder's expense. Also, in the event of a default on any Bonds which triggers accleration (*e.g.*, non-payment which continues beyond the specified cure period), the holders of 25 percent in the aggregate of "amortized face amount" (as defined in the application) of Certificates then outstanding may direct the custodian to take such action as such holders deem appropriate with regard to all of the Bonds of the defaulting Obligor then held by the custodian.

14. In the case of an acceleration, the custodian, as representative of the Certificateholders, will have the same rights as any other holder to deliver notice to the Obligor (or to the Bond trustee, in a case of Bonds issued pursuant to an indenture qualified under the 1939 Act) stating that the Custodian elects to declare the principal of all of the Bonds then held by the custodian to be immediately due and payable. At such time as the Bonds are accelerated, the interest of each holder of Certificates in the Bonds would be transformed into an undivided interest in all of the proceeds thereafter received on such Bonds, allocated in proportion to the relative amortized face amounts of the respective Certificates.

Applicant's Legal Conclusions

1. Without conceding the applicability of the 1940 Act to the proposed offering of the Certificates (absent an acceleration of the obligation to pay the principal and interest on the underlying Bonds upon a default), Applicant asserts that it would be appropriate in the public interest and consistent with the protection of investors and the purposes of the 1940 Act to exempt the proposed arrangement from all provisions of the 1940 Act. Applicant submits that, except in the event of an acceleration of principal and interest payments on the Bonds, the Certificates will represent a direct ownership interest in the principal or interest in the underlying Bonds. Applicant further submits that neither the structure nor the mode of operations of the proposed arrangement resembles a typical investment company, and that offering the Certificates to financially sophisticated institutional investors is not the type of transaction that needs to be regulated under the 1940 Act. applicant contends that the Custodian will not be trading, dealing, or generally investing in securities and, thus, will not exercise any investment discretion, but will perform only administrative and mechanical functions.

2. Applicant asserts that the selection of the underlying securities will be made prior to the purchase of Certificates, and, thus, will be known by the purchaser at the time of purchase. Moreover, since the Certificates will be sold on the basis of the credit of the Obligor on the underlying bonds, Applicant asserts that the Certificateholders will look ultimately to the Obligor for their assurance of repayment, not to the Applicant, Depositor or custodian. Applicant further asserts that even if an investment company is formed upon acceleration of interest and principal payments on the Bonds, such company would be engaged in activities associated with its liquidation and, thus, should be deemed exempt from all provisions of the 1940 Act under section 7(b) of the 1940 Act.

3. In addition, Applicant represents that each Certificate and the Custody Agreement will provide that the Certificateholder is the real party in interest and shall have the right upon default to proceed directly and individually against the Obligor (to the extent permitted by law) in the manner such holder deems appropriate. Because of the structure of the proposed arrangement and the nature of the direct interests represented by Certificates, Applicant asserts that the arrangement will present no risk of loss separate from or in addition to that presented by the underlying investment in the Bonds themselves. Applicant believes that the Custodian's obligation under the custody Agreement to enforce the Certificateholders' rights will provide a sufficient safeguard against the potential problems associated with a pool of liquid assets that are the principal concern of the 1940 Act and, more generally, will provide adequate assurance that the Certificates will be paid in accordance with their terms.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13895 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15796; 812-6085]

Shearson Lehman CMO, Inc.; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Shearson Lehman CMO Inc. (the "Applicant")

Relevant 1940 Act Sections: Exemption requested under section 6(c) from all provisions of the 1940 Act.

Summary of Application: The Applicant seeks an order conditionally exempting it and certain trusts that it may form from time to time from all provisions of the 1940 Act for the limited purpose of issuing bonds collateralized

by certain mortgage certificates and selling beneficial interests in such trusts.

Filing Date: The application was filed on April 5, 1985, and amended on May 20, 1986, April 28, 1987 and May 20, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington DC 20549. Applicant, 3131 One Main Place, Dallas, Texas 75270.

FOR FURTHER INFORMATION CONTACT: Staff Attorney, Joyce M. Pickholz (202) 272-3046 or Special Counsel, Curtis R. Hilliard (202) 272-3026 (Division of Investment Management).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300).

Applicant's Representations

1. The Applicant is a direct, wholly-owned limited purpose financing subsidiary of Shearson Lehman Government Securities Inc., an indirect wholly-owned subsidiary of Shearson Lehman Brothers Inc., which is a wholly-owned sibsidiary of American Express Company.

2. The Applicant will issue one or more series ("Series") of collateralized mortgage obligations, denominated the Issuer's mortgage-backed sequential pay bonds ("Bonds"), and invest in certain Mortgage Certificates [1] which will be used to collateralize such Bonds.

3. The Bonds will be issued under the terms of an indenture ("Indenture") between the Applicant and an independent trustee ("Trustee"), as supplemented by one or more series supplements. The Indenture will be qualified under the Trust Indenture Act of 1939 unless an appropriate exemption is available.

4. The Bonds will be secured by Mortgage Certificates having collateral value determined under the Indenture, at the time of issuance and following each payment date, equal to or greater than the outstanding principal balance of the Bonds. Distributions of principal and interest received on the Mortgage Certificates securing the Bonds and any applicable reserve funds, plus reinvestment income thereon, will be sufficient to pay all interest on the Bonds and to retire each class of Bonds by its stated maturity. The Mortgage Certificates will be assigned by the Applicant to the Trustee and will be subject to the lien of the related Indenture.

5. The Applicant may elect to transfer its interest in the assets and liabilities from previous series of Bonds to one or more trusts ("Trusts") under an agreement (the "Trust Agreement") between the Applicant and a bank or trust company or other fiduciary acting as owner trustee (the "Owner Trustee"). The Applicant may sell beneficial interests in or the residual interest in a REMIC of any Trust to a limited number, but in no event more than 100, of sophisticated institutional investors.

6. Neither the Applicant, the holders of the beneficial interests of any of the Trusts, the Owner Trustee nor the Trustee will be able to impair the security afforded by the Mortgage Certificates to the holders of the Bonds. Without the consent of each Bondholder to be affected, neither the Applicant, the holders of the beneficial interest of any of the Trusts, the Owner Trustee nor the Trustee will be able to: (1) Change the stated maturity on any Bonds; (2) reduce the principal amount or the rate of interest on any Bonds; (3) change the priority of payment on any class of any series of Bonds; (4) impair or adversely affect the Mortgage Certificates securing a series of Bonds; (5) permit the creation of a lien ranking prior to or on a parity with the lien of the related Indenture with respect to the Mortgage Certificates; or (6) otherwise deprive the Bondholders of the security afforded by the lien of the related Indenture.

7. The sale of the beneficial interests in each Trust will not alter the payment of cash flows under the Indenture including the amounts to be deposited in the collection account or any reserve fund created pursuant to the Indenture to support payments of principal and interest on the Bonds.

8. The interests of the Bondholders will not be compromised or impaired by the ability of the Applicant to sell beneficial interests in each Trust, and there will not be a conflict of interest between the Bondholders and the holders of the beneficial interests for several reasons: (a) The collateral which initially will be deposited into each Trust and will be pledged to secure the Bonds issued by such Trust will not be speculative in nature because it will consist solely of GNMA Certificates, FNMA Certificates or FHLMC Certificates, which Mortgage Certificates are guaranteed as to timely payment of interest and timely or ultimate payment of interest and timely or ultimate payment of principal by each respective agency; (b) the Bonds will only be issued provided an independent nationally recognized statistical rating agency has rated such Bonds in one of the two highest rating categories which by definition means that the capacity of the issuing Trust to repay principal and interest on the Bonds is extremely strong; (c) the Indenture under which the Bonds will be issued subjects the collateral pledged to secure the Bonds, all income distributions thereon and all proceeds from a conversion, voluntary or involuntary, of any such collateral to a first priority perfected security interest in the name of the Trustee on behalf of the Bondholders; [2] and (d) the owners of

[1] By definition, the "Mortgage Certificates" collateralizing the Bonds will consist of: (1) "Fully modified" pass-through mortgage-backed certificates guaranteed by the Government National Mortgage Association ("GNMA Certificates"), (2) mortgage participation certificates issued by the Federal Home Loan Mortgage corporation ("FHLMC Certificates"), and (3) guaranteed mortgage pass-through securities issued by the Federal National Mortgage Association ("FNMA Certificates"). All or a portion of the Mortgage Certificates securing a Series of Bonds may be "partial pool" Mortgage Certificates. Some of the GNMA Certificates securing a Series or Bonds may be backed by mortgage loans that provide for payments during the initial portion of their term that are less than the actual amount of principal and interest payable thereon on a level debt service basis ("GPM GNMA Certicates"). In addition to the Mortgage Certificates directly securing the Bonds, a series may have additional collateral which may include certain collection accounts and reserve funds as specified in the related Indenture Supplement.

[2] The Indenture further specifically provides that no amounts may be released from the lien of the Indenture to be remitted to the issuing Trust (and any owner of the beneficial interests thereof) until (i) the Trustee has made the scheduled payment of principal and interest on the Bonds, (ii) the Trustee has received all fees currently owed to it, and (iii) to the extent required by any supplemental indentures executed in connection with the issuance of the Bonds, deposits have been made to certain reserve funds which will ultimately be used to make payments of principal and interest on the Bonds. Once amounts have been released from the lien of the Indenture, the Trust Agreement for each Trust will provide that the Owner Trustee under the Trust Agreement will have a lien superior to that of the owners of the beneficial interests of the Trust to the remaining cash flow.

the beneficial interests will be entitled to receive current distributions representing the residual payments on the collateral from each Trust in accordance with the terms of the applicable Trust Agreement, which distributions are analogous to dividends payable to a shareholder of a corporate issuer of collateralized mortgage obligations. Furthermore, unless the Trust elects to be treated as a "real estate mortgage investment conduit" under the Internal Revenue Code of 1986, the beneficial interest owners will be liable for the expenses, taxes and other liabilities of the Trust (other than the principal and interest on the Bonds) to the extent not previously paid from the trust estate. The choice of the form of issuer for the collateralized mortgage obligations and the identity of the owners of the beneficial interests in such issuer, however, will not alter in any way the payments made to the holders of such collateralized mortgage obligations, which are payments governed by an Indenture which will meet the requirements of the Trust Indenture Act of 1939.

9. The aggregate interests of the owners of the beneficial interests in the collateral and the expected returns earned by such owners will be far less than the payments made to Bondholders. Applicant does not intend to deposit in any Trust, Mortgage Certificates with a collateral value which exceeds 110% of the aggregate principal amount of the related Bonds.

10. Except to the extent permitted by the limited right to substitute collateral; it will not be possible for the owners of the beneficial interests to alter the collateral initially deposited into a Trust, and in no event will such right to substitute collateral result in a diminution in the value or quality of such collateral. Although it is possible that any collateral substituted for collateral initially deposited into a Trust may have a different prepayment experience than the original collateral, the interests of the Bondholders will not be impaired.

11. For additional representations and conditions concerning classes of Bonds, certain optional and mandatory redemption features, and the application of "excess cash flow," see the application.

12. The requested order is necessary and appropriate in the public interest because: (a) The Applicant should not be deemed to be an entity to which the provisions of the 1940 Act were intended to be applied; (b) the Applicant may be unable to proceed with its proposed activities if the uncertainties concerning the applicability of the 1940 Act are not removed; (c) the Applicant's activities are intended to serve a recognized and critical public need; (d) granting of the requested order will be consistent with the protection of investors because they will be protected during the offering and sale of the Bonds by the registration or exemption provisions of the 1933 Act and thereafter by the Trustee representing their interests under the Indenture; and (e) the beneficial interests in the Trusts will be held entirely by the Applicant or offered only to a limited number of sophisticated institutional investors through private placements.

Conditions to Order

Applicant agrees that if an order is granted it will be expressly conditioned on the following conditions:

A. Conditions Relating to the Bond Collateral

(1) Each Series of Bonds will be registered under the 1933 Act, unless offered in a transaction exempt from registration pursuant to section 4(2) of the 1933 Act.

(2) The Bonds will be "mortgage related securities" within the meaning of section 3(a)(41) of the Securities Exchange Act of 1934, as amended. However, the mortgage collateral directly securing the Bonds will be limited to GNMA Certificates, FNMA Certificates, or FHLMC Certificates.

(3) If new mortgage collateral is substituted, the substitute collateral will (i) be of equal or better quality than the collateral replaced; (ii) have similar payment terms and cash flow as the collateral replaced; (iii) be insured or guaranteed to the same extent as the collateral replaced; and (vi) meet the conditions set forth in paragraphs (2) and (4). In addition, new collateral may not be substituted for more than 40% of the aggregate face amount of the Mortgage Certificates initially pledged as mortgage collateral. In no event may any new mortgage collateral be substituted for any substitute mortgage collateral.

(4) All Mortgage Certificates, funds, accounts or other collateral securing a series of Bonds ("Collateral") will be held by a Trustee, or on behalf of a Trustee by an independent custodian. Neither the Trustee nor the custodian may be an affiliate (as the term "affiliate" is defined in Rule 405 under the 1933 Act, 17 CFR 230.405) of the Applicant. The Trustee will be provided with a first priority perfected security or lien interest in and to all Collateral.

(5) Each Series of Bonds will be rated in one of the two highest bond rating categories by at least one nationally recognized statistical rating agency that is not affiliated with the Applicant. The Bonds will not be considered "redeemable securities" within the meaning of section 2(a)(32) of the 1940 Act.

(6) No less often than annually, an independent public accountant will audit the books and records of the Applicant and each Trust and, in addition, will report on whether the anticipated payments of principal and interest on the mortgage collateral continue to be adequate to pay the principal and interest on the Bonds in accordance with their terms. Upon completion, copies of the auditor's reports will be provided to the Trustee.

B. Conditions Relating to Variable-Rate Bonds

(1) Each class of floating rate Bonds will have a set maximum interest rate (an interest rate cap).

(2) At the time of the transfer of the Collateral to a Trust, as well as during the life of the Bonds, the scheduled payments of principal and interest to be received by the Trustee on all Mortgage Certificates pledged to secure the Bonds, plus reinvestment income thereon, and funds, if any, pledged to secure the Bonds will be sufficient to make all payments of principal and interest on the Bonds then outstanding, assuming the maximum interest rate on each class of floating rate Bonds. Such Collateral will be paid down as the mortgages underlying the Mortgage Certificates are repaid, but will not be released from the lien of the Indenture prior to the payment of the Bonds.

C. Condition Relating to REMIC's

The election by the Applicant with respect to any Series of Bonds or by any Trust to be treated as a real estate mortgage investment conduit (a "REMIC") will have no effect on the level of the expenses that would be incurred by the Applicant or by any such Trust. The Applicant with respect to any Series of Bonds or any Trust that elects to be treated as a REMIC will provide that all administrative fees and expenses will be paid or provided for in a manner satisfactory to the agency or agencies rating the Bonds. The Applicant represents that each Trust will insure that the anticipated level of fees and expenses will be more than adequately provided for regardless of which of the methods set forth in the application (which methods may be used in combination) are selected by such Trust to provide for the payment of such fees and expenses.

D. Conditions Relating to the Sale of Equity Interests

(1) The Applicant may sell the beneficial interests in or the residual interests in a REMIC of any Trust to a limited number, in no event more than one hundred, of sophisticated institutional investors in transactions exempt from the registration requirements of the Securities Act of 1933 ("1933 Act") under section 4(2) thereof. Such institutional investors may include, but are not limited to one or more banks, savings and loan associations, insurance companies, and pension plans or other investors that would have prior experience in making investments in mortgage related securities or real estate ("Eligible Institutions"). Each Eligible Institution will be required to represent that it is purchasing such beneficial interests or residual interests for investment purposes and that it will hold such interests in its own name and not as nominee for undisclosed investors. In addition, the Trust Agreement relating to each Trust and to the sale of residual interests in a REMIC will further prohibit the transfer of any certificates for such beneficial interests or residual interests if there would be more than one hundred owners of such certificates at any time.

(2) No holder of a controlling interest in the Applicant or any Trust (as the term "control" is defined in Rule 405 under the 1933 Act), will be affiliated with either the custodian or the statistical rating agency rating the Bonds. Neither the Applicant nor any of the owners of the beneficial interests in the Trust will be affiliated with the Trustee

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87-13896 Filed 6-17-87; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15804; 811-657]

Templeton Growth Fund, Ltd.; Application

June 11, 1987.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for de-registration under the Investment Company Act of 1940 (the "1940 Act").

Applicant: Templeton Growth Fund, Ltd. ("Applicant").

Relevant 1940 Act Sections: Section 8(f).

Summary of Application: Applicant seeks an order declaring that Applicant has ceased to be an investment company.

Filing date: The application was filed on February 2, 1987, and amended on April 28, and May 28, 1987.

Hearing or Notification of Hearing: If no hearing is ordered, the application will be granted. Any interested person may request a hearing on this application, or ask to be notified if a hearing is ordered. Any requests must be received by the SEC by 5:30 p.m., on July 1, 1987. Request a hearing in writing, giving the nature of your interest, the reason for the request, and the issues you contest. Serve the Applicant with the request, either personally or by mail, and also send it to the Secretary of the SEC, along with proof of service by affidavit, or, for lawyers, by certificate. Request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, 44 Victoria Street, Suite 1500, Toronto, Ontario M5C 1Y2, Canada.

FOR FURTHER INFORMATION CONTACT: Staff Attorney Richard Pfordte at (202) 272-2811 or Special Counsel Karen L. Skidmore at (202) 272-3023 (Division of Investment Management).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from either the SEC's Public Reference Branch in person or the SEC's commercial copier (800) 231-3282 (in Maryland (301) 258-4300).

Applicant's Representations

1. Applicant, a Canadian mutual fund corporation, was registered under section 7(d) of the 1940 Act pursuant to a Commission order dated October 7, 1954 (IC Rel. No. 2020). Applicant's initial registration statement was declared effective on October 29, 1954, and the initial public offering of its stock commenced on that date. Applicant is currently in good standing under the laws of Canada.

2. On July 25, 1986, Applicant's Board of Directors took action authorizing a Plan of Arrangement (the "Plan") under which approximately 58% of the assets and liabilities of the Applicant would be transferred to Templeton Growth Fund, Inc., a newly formed U.S. corporation registered under the 1940 Act as an investment company (the "U.S. Fund"). The Board confirmed this action and made certain determinations in compliance with Rule 17a-8 under the 1940 Act at a meeting held on November 26, 1986. Pursuant to the Plan, each non-Canadian shareholder of Applicant would become a shareholder of the U.S. Fund. Proxy materials relating to the Plan were mailed to shareholders on or about November 10, 1986. A special general meeting of shareholders of the Applicant was held on December 19, 1986, at which the holders of a majority of the Applicant's shares, including the holders of a majority of the Applicant's shares held by non-Canadian shareholders, approved the Plan. The Plan also was approved by the Supreme Court of Ontario, Canada, following a hearing on December 22, 1986.

3. No brokerage commissions were paid in connection with the reorganization under the Plan.

4. As of November 4, 1986, Applicant had 145,079,786 Common Shares outstanding, having an aggregate net asset value of $2,658,072,304 (Canadian) equal to $1,911,594,609 (U.S.), and a per share net asset value of $18.06 (Canadian) equal to $12.99 (U.S.). Following implementation of the Plan on December 31, 1986, Applicant had approximately 58,867 shareholders, all of whom had addresses in Canada as shown on the share register of the Fund. The U.S. Fund is responsible for all expenses of the reorganization, amounting to approximately $925,000 (U.S.). As of December 31, 1986, the Applicant had $1,149,125,562.00 (Canadian) in total assets and $19,084,788.00 (Canadian) in total liabilities.

5. Applicant is not a party to any current or pending litigation or administrative proceedings at the time of filing the application.

6. The Applicant will continue operations as a management investment company, marketing its shares only in Canada, and maintaining its offices in Canada. By virtue of the reorganization effected on December 31, 1986, Applicant ceased to have at least one hundred U.S. residents who are beneficial owners of its shares and, as such, the Applicant would be excluded from the definition of an "investment company" under Section 3(c)(1) of the 1940 Act.

7. Except for the transaction in connection with the Plan, Applicant has not, within the last 18 months, transferred any of its assets to a separate trust, the beneficiaries of which were or are securities holders of Applicant.

Applicant's Conditions

1. Applicant will adopt procedures reasonably designed to prevent its shares from being offered or sold in the

United States or to persons resident in the United States.

2. Applicant will appoint Securities Fund Investors, Inc., 700 Central Avenue, St. Petersburg, Florida 33733–8031, to accept any process which may be served on the Applicant. Such appointment of an agent to accept service of process will be irrevocable for a period of ten years from the date of the Commission order pertaining to the application. During this period, Applicant further agrees to the jurisdiction of the federal securities laws and to satisfy any final judgements therefrom.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87–13897 Filed 6–17–87; 8:45 am]

BILLING CODE 8010-01-M

Issuer Delisting; Application To Withdraw From Listing and Registration; Washington Homes, Inc. (Common Stock, No Par Value) File No. 1–7643

June 12, 1987.

Washington Homes, Inc. ("Company"), has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security from listing and registration on the American Stock Exchange, Inc. ("Amex"). The Company's common stock recently began trading on the New York Stock Exchange ("NYSE").

The reasons alleged in the application for withdrawing these securities from listing and registration on the Amex include the following:

The Company considered the direct and indirect costs and expenses attendant on maintaining the dual listing of its common stock on the NYSE and the Amex. The Company does not see any particular advantage in the dual trading of its stock and believes that dual listing would fragment the market for its common stock.

Any interested person may, on or before July 2, 1987 submit by letter to the Secretary of the Securities and Exchange Commission, Washington, DC. 20549, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 87–13943 Filed 6–17–87; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Manufacturer and Dealer Obligations During the Automatic Restraint Phase-in

The purpose of this notice is to review the curent status of the phasing-in of the automatic restraint requirement for passenger cars, describe NHTSA's efforts to inform the public about the benefits of automatic restraint systems, and to explain manufacturer and dealer obligations to offer for sale and sell cars with fully-functional automatic restraint systems. This notice also responds to a request for interpretation from the Center for Auto Safety.

On July 11, 1984 (49 FR 28962), the Department of Transportation announced its decision on improved occupant crash protection for passenger cars. The overriding purpose of the decision was to provide improved crash protection to the people as quickly and effectively as possible. The decision amended Standard No. 208, *Occupant Crash Protection,* to provide for the phased-in implementation of an automatic restraint requirement for the front outboard seats in passenger cars. The July 1984 decision also provided that the automatic restraint requirement would be recinded if two-thirds of the U.S. population is covered by safety belt use laws which meet certain minimum requirements and are effective by April 1, 1989.

As explained in the July 1984 decision, the Department intended to enhance the public acceptability of the automatic restraint requirement by providing consumers with a choice among differing types of automatic restraint systems and by phasing-in the requirements so that people can gradually become accustomed to the new technology. The Department was particularly concerned that a sudden across-the-board mandate could engender adverse public reaction.

To encourage the development of innovative automatic restraint systems, the July 1984 decision provided manufacturers with an incentive to install non-belt automatic restraint systems, such as air bags or built-in safety (the use of increased padding and structural changes to provide protection to unrestrained occupants), in vehicles during the phase-in period. That incentive has already worked to encourage the installation of air bags during the phase-in period.

NHTSA recognizes that it has a responsibility to inform the public about automatic restraint systems. Thus, NHTSA has prepared and made available to the public brochures and other information describing the benefits of different types of automatic restraint systems and explaing how they work. For example, NHTSA has distributed more than 150,000 copies of two new pamphlets on automatic restraints and 350,000 copies of a pamphlet showing parents how to use child safety seats with the new restraints.

Although these efforts by the government will promote public acceptability, the successful implementation of the occupant protection decision will involve the combined efforts of the Federal government, vehicle manufactures, and vehicle dealers. The phase-in of automatic restraints began on September 1, 1986, with full implementation to take place on September 1, 1989. During the period September 1, 1986, through August 31, 1987, manufacturers must equip ten percent of their passenger cars with automatic restraints. Standard No. 208 does not mandate what types of automatic restraints a manufacturer must use during the phase-in. Instead, it specifies performance requirements that any automatic restraint must meet and leaves the design of the specific systems to the manufacturers. Thus, manufacturers can produce a variety of different types of automatic restraints, such as detachable and non-detachable automatic belts, air bags, built-in safety, or other systems to meet the requirements of the standard.

As noted above, the Department's 1984 rule emphasized that the phase-in of this requirement was designed, in part, to enable the public to become accustomed to passive restraints gradually, thus enhancing public acceptance of the devices and the rule. To accomplish this goal, consumers must be provided with information about automatic restraint systems, and must be given a chance to see and use those systems prior to making their new

car purchasing decision. If consumers are offered a variety of automatic restraint designs and have the opportunity to become familiar with those systems, the marketplace can then work as it should to determine which types of autommatic restraint systems are most accpetable to the public.

Because the public will have the option during the phase-in of buying vehicles that are not equipped with automatic restraints, both manufacturers and their dealers will need to educate the public about the value of automatic restraint systems and carefully explain how the various systems work. We understand that the manufacturers and dealers are responding to this need. For example, the Ford Motor Company has been sponsoring "safety days" at dealerships around the country to publicize the availability of air bags and their new automatic belts.

NHTSA is encouraging car dealers to make a major effort to inform the public about all types of occupant protection systems, including automatic restraints. As an example, NHTSA, in discussions with the National Automobile Dealers Association (NADA), emphasized that the public has become much more interested in safety and dealers have an opportunity to promote this interest through informing their customers of the restraint options available to them. Largely, as a result of these discussions, the NADA now supports automatic restraints.

The agency is also concerned that as consumers are choosing among the variety of automatic restraint systems, they be offered and sold vehicles that meet all the requirements of the standard. The dealers need to play a part in ensuring that automatic-restraint vehicles are offered and sold in a manner that promotes the purposes of the standard. An important element in the effectiveness of detachable automatic safety belts is the increase in belt usage that will result from what the U.S. Supreme Court called the "inertia factor". In reviewing Standard No. 208, the U.S. Supreme Court noted that "inertia" is an important factor working in favor of promoting the use of detachable automatic safety belts, since a connected detachable automatic belt would remain connected, providing automatic protection, unless and until a consumer disconnected the belt. When the belt is reconnected, the inertia factor will again work in favor of automatic belt usage, In contrast, inertia works against manual belt usage since an occupant must take an affirmative step to fasten a manual safety belt each time he or she drives a car. Thus, it is important from the beginning that the inertia factor be given a chance to work by ensuring that consumers are offered and receive cars that have the automatic safety belts in place. The widespread disconnection of detachable automatic safety belts at dealerships would sustantially reduce the possibility that those belts will increase usage and thus reduce traffic-related deaths and injuries.

The Center for Auto Safety has asked the agency to rule that dealers would be in violation of section 108(a)(2)(A) of the National Traffic and Motor Vehicle Safety Act (the "render inoperative" provision) if they display cars with automatic safety belts unfastened or offer a car for a test drive or final delivery with the automatic safety belts unfastened. The "render inoperative" provision states that:

> No manufacturer, distributor, dealer, or motor vehicle repair business shall knowingly render inoperative, in whole or part, any device or element of design installed on or in a motor vehicle or item of motor vehicle equipment in compliance with an applicable Federal motor vehicle safety standard . . . .

NHTSA does not believe that the actions described by the Center constitute a rendering inoperative of the automatic safety belt. The standard specifically requires each automatic safety belt to be equipped with an emergency release mechanism. One means of meeting the emergency release requirement is to provide a means for unfastening one end of the automatic safety belt (belts with this feature are commonly referred to as detachable automatic safety belts). Simply detaching the belt changes the belt from one required design mode to another, leaving intact the capability of changing the belt back to the original, primary design mode. If the automatic belt is simply refastened, it will still be capable of meeting the automatic restraint performance requirements of the standard. In addition, as discussed in the July 1984 decision, having the ability to detach and quickly reattach an automatic safety belt can make it easier for a consumer to install a child restraint properly. The July 1984 decision also noted that by using detachable belts, manufacturers do not have to eliminate the center seating position in automatic belt equipped cars. Instead, a consumer wanting to sit in the center seat can detach momentarily the automatic belt to gain access to the center seat. Thus, the agency concludes that a dealer displaying a car with its automatic belt detached or offering the car for a test drive or for final delivery with the automatic safety belts detached, has not rendered inoperative the automatic safety belt.

However, as discussed below, the agency has concluded that it would be a violation of section 108(a)(1)(A) of the Vehicle Safety Act for a dealer to offer for sale or sell a car with an automatic safety belt disconnected. Section 108(a)(1)(A) provides that no person shall sell, offer for sale, or introduce into interstate commerce, a vehicle that does not conform with all applicable Federal motor vehicle safety standards. Thus, for example, when a dealer displays a new car on the showrom floor, the vehicle must be in compliance with applicable standards since it is being offered for sale to the public. Likewise, the final delivery of a new car to a consumer is a transaction in which the statute requires that the new car be in compliance.

The essential requirement of Standard No. 208 it that an automatic restraint system must protect its occupants "by means that require no action by vehicle occupants." Thus, to meet its obligation to offer and sell a car that conforms to Standard No. 208, a dealer must offer for sale, sell, and deliver a car that provides protection automatically to a car's occupant without that occupant having to take any action. In the case of a car with an automatic safety belt, this means that the belt must go around a driver or passenger and provide the required protection without the driver or passenger having to taken any action to place the belt around him or herself. Thus, a car with automatic safety belts can provide automatic protection only if its automatic safety belts are connected. If the automatic safety belts are detached, the car may have the *capability* to provide the required automatic protection. However, it cannot meet the automatic restraint requirement in that mode, since an occupant must take some action to adjust or alter the restraint before it will provide its protective function automatically.

Although a dealer is responsible to offer for sale, sell, and deliver a complying car to consumers, a dealer is not, however, responsible if an automatic belt is detached by a consumer on the showroom floor or before or during a test drive. Similarly, a dealer is not responsible for actions taken by a consumer after the consumer takes delivery of the car. The actions by a consumer are outside of the control of a dealer and thus the dealer cannot be held responsible for those actions.

The agency believes that today's interpretation is, in fact, stating the

obvious point that a motor vehicle on a dealer showroom floor is being "offered for sale," and that a motor vehicle provided to the first retail purchaser is being "sold" and "delivered" to the consumer. These transactions are specifically governed by Section 108 of the Vehicle Safety Act, which precludes, among other things, offering a vehicle for sale or selling or delivering a vehicle that does not conform to an applicable safety standard.

The agency also recognizes, however, that there are some practical limits to this interpretation. For example, the agency is aware that some dealerships disconnect the battery of any vehicle on a showroom floor for safety reasons or, in some cases, to comply with local fire ordinances. Although a motor vehicle with a disconnected battery will not technically comply with some of the safety standards during the time of disconnection, it is not NHTSA's intention to use its limited enforcement resources to pursue investigations of individual dealerships or individual motor vehicles for such technical violations. Indeed, as in all enforcement matters, NHTSA will consider all the relevant facts of an alleged "offering for sale" in violation of any standard, including Standard 208, and will decide in its discretion whether the facts warrant the dedication of enforcement resources to pursue an investigation. Specifically, in determining whether a dealer has violated section 108(a)(1)(A), the agency will look to whether a dealer has consistently disregarded his or her obligation to offer for sale and sell a car that complies with Standard No. 208 and the other Federal motor vehicle safety standards. Thus, in determing whether a violation has occurred, the agency will look at such things as whether a dealer has engaged in a practice of consistently placing on the showroom floor cars whose automatic safety belts are disconnected or allowing them to remain there for extended periods of time with their belts in that condition. It will also look at whether a dealer has engaged in a practice of consistently providing cars for test drives or delivering cars to purchasers with the belts disconnected.

We reiterate that our primary goal in issuing this interpretation is to encourage dealers and manufacturers to participate fully in making the phase-in of this standard work as it is intended—to provide new car buyers with an opportunity to learn about the various types of passive restraints and to enable the marketplace to work as it should during these three years. Based on all of its contacts with manufacturers and dealers, NHTSA is confident that they are fully aware of the importance of making sure that people have the opportunity to make an informed choice about the occupant protection systems they want. NHTSA believes that manufacturers will take actions, both on their own and through their dealers, to ensure the goals of the automatic restraint decision and the policies discussed in this notice are effectively implemented. The agency believes also that dealers, in turn, will play their part in emphasizing the benefits and proper operation of automatic safety belts in their dealings with new car buyers and ensuring that the automatic safety belts in the cars on the showroom floor and in the cars offered for final delivery are attached.

Issued on June 15, 1987.

Diane K. Steed,

Administrator.

[FR Doc. 87-13874 Filed 6-15-87; 12:11 pm]

BILLING CODE 4910-59-M

Petitions for Exemptions from the Vehicle Theft Prevention Standard; Nissan Motor Co., Ltd.

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Grant of petition for exemption.

SUMMARY: This notice grants the petition by Nissan Motor Company, Ltd., (Nissan) for an exemption from the marking requirements of the vehicle theft prevention standard for a passenger car line Nissan intends to introduce in model year 1988. The agency grants this exemption under § 605 of the Motor Vehicle Information and Cost Savings Act. The agency has determined that the antitheft device which the petitioner intends to install on this line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts marking requirements of the standard.

DATE: The exemption granted by this notice will become effective beginning with the 1988 model year.

SUPPLEMENTARY INFORMATION: On February 12, 1987, this agency received a petition from Nissan for an exemption from the parts marking requirements of the vehicle theft prevention standard (49 CFR Part 541), pursuant to the requirements of 49 CFR Part 543, *Petitions for Exemption from the Vehicle Theft Prevention Standard.* On January 7, 1986, 1986 (51 FR 715), NHTSA published a notice of proposed rulemaking for the procedures to be followed by manufacturers in preparing and submitting petitions for model year 1988 and thereafter. These proposed procedures were identical to those adopted in the interim final rule (January 7, 1986, 51 FR 706) establishing the Part 543 requirements to be followed by manufacturers in preparing and submitting petitions for exemption during model year 1987. Section 605 of Title VI requires manufacturers to submit petitions not later than eight months before commencement of production of the vehicle line or lines for which exemption is sought. Nissan submitted its petition before publication of the final rule for the 1988 and subsequent model years.

The agency reviewed the material Nissan submitted and concluded that the company met the requirements for petitions in § 543.5, as of February 12, the date on which NHTSA received the Nissan petition. Accordingly, the 120-day period for processing Nissan's petition began on that date. The agency further decided to grant the company's request under 49 CFR Part 512 to treat the name plate of the product line and the petitioner's detailed design specifications as confidential business information. At the petitioner's suggestion, the agency refers in this notice to the carline as "Model A."

In its petition, Nissan described an antitheft system that is armed by turning the ignition switch to "OFF," and closing and locking the doors, hood, and trunk lid. These steps activate the starter interrupt function and also arm an audio/visual alarm. The alarm is triggered by sensors in the doors, trunk, and hood.

Based on substantial evidence, the agency has determined that installing Nissan's device in this new car line is likely to be as effective in reducing and deterring vehicle theft as are the Part 541 marking requirements. This determination is based on the information Nissan submitted with its petition and on other available information. The agency believes that the device will provide the types of performance listed in § 543.6(a)(2), i.e., promote activation, attract attention to unauthorized entries, prevent defeating or circumventing of the device by unauthorized persons, prevent operation of the vehicle by unauthorized entrants, and ensure the reliability and durability of the device.

As required by section 605(b) of the statute and § 543.6(b), the agency also finds that Nissan has provided adequate reasons for its belief that the antitheft device will reduce and deter theft. This conclusion is based on the information Nissan provided on its device. The agency notes also that the methods of

encouraging use and preventing defeat of the Nissan antitheft device are the same as methods of other devices that the agency has considered effective. Nissan states that the Model A antitheft system is the same as one installed in the company's Maxima and 300ZX carlines, and NHTSA previously granted an exemption request for those lines. Further, Nissan included in its Model A exemption petition data revealing that there had been a reduction in the theft rate for both Maxima and 300ZX cars since the system was installed. Nissan stated in its petition that it believes its antitheft device will reduce and deter theft at least to the same extent as complying with Part 541 would.

The agency notes that the limited and apparently conflicting data on the effectiveness of the pre-standard parts marking programs make it difficult at this early stage of the theft standard's implementation to compare the effectiveness of an antitheft device with the effectiveness of compliance with the theft prevention standard. The statute clearly requires such a comparison, which the agency has made on the basis of the limited data available.

NHTSA notes that if Nissan wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Section 543.7(c) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this Part and equipped with the antitheft device on which the line's exemption was based. Further, § 543.9(b)(2) provides for the submission of petitions "(t)o modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden which § 542.9(b)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change in the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if Nissan contemplates making any changes the effects of which might be characterized as *de minimis*, then the company should consult the Agency before preparing and submitting a petition to modify.

(15 U.S.C. 2025, delegation of authority at 49 CFR 1.50)

Issued on: June 12, 1987.

Diane K. Steed,

Administrator.

[FR Doc. 87-13875 Filed 6-17-87; 8:45 am]

BILLING CODE 4910-59-M

DEPARTMENT OF THE TREASURY

Public Information Collection Requirements Submitted to OMB for Review

Dated: June 12, 1987.

The Department of Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1980, Pub. L. 96-511. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2224, 15th and Pennsylvania Avenue, NW., Washington, DC 20220.

Internal Revenue Service

OBM Number: 1545-0182
Form Number: 4782
Type of Review: Revision
Title: Employee Moving Expense Information
Description: 26 CFR 31.6051-1(e) requires that a statement be given by employers to employees showing a detailed breakdown of reimbursements or payments of moving expenses. Data is used to assist employees in determining the correct amount of the moving expense deduction to claim on their income tax return.
Respondents: State or local governments, Businesses
Estimated Burden: 662,249 hours
Clearance Officer: Garrick Shear (202) 566-6150, Internal Revenue Service, Room 5571, 1111 Constitution Avenue, NW., Washington, DC 20224
OMB Reviewer: Milo Sunderhauf, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503

U.S. Customs Service

OMB Number: 1515-0086
Form Numbers: 214 and 216
Type of Review: Reinstatement
Title: Application for Foreign Trade Zone Admission and/or Status Designation
Description: These documents allow business firms to apply for admission of goods to a foreign trade zone, and for foreign trade zone grantees and U.S. Customs to authorize admission without payment of import duties and taxes. Also allows firms to apply for and receive an appropriate zone status.
Respondents: Businesses
Estimated Burden: 18,001 hours
Clearance Officer: B.J. Simpson (202) 566-7529, U.S. Customs Service, Room 6426, 1301 Constitution Avenue, NW., Washington, DC 20224
OMB Reviewer: Milo Sunderhauf, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503

Dale A. Morgan,

Departmental Reports Management Officer.

[FR Doc. 87-13866 Filed 6-17-87; 8:45 am]

BILLING CODE 4810-25-M

Fiscal Service

[Dept. Circ. 570, 1986 Rev., Supp. No. 19]

Surety Companies Acceptable on Federal Bonds; Termination of Authority; Insurance Company of the Pacific Coast

Notice is hereby given that the Certificate of Authority issued by the Treasury to Insurance Company of the Pacific Coast, under the United States Code, Title 31, sections 9304-9308, to qualify as an acceptable surety on Federal bonds is terminated effective June 30, 1987.

The Company was last listed as an acceptable surety on Federal bonds at 51 FR 23940, July 1, 1986.

With respect to any bonds currently in force with Insurance Company of the Pacific Coast, bond-approving officers for the Government may let such bonds run to expiration and need not secure new bonds. However, no new bonds should be accepted from the Company. In addition, bonds that are continuous in nature should not be renewed.

Questions concerning this notice may be directed to the Department of the Treasury, Financial Management Service, Finance Division, Surety Bond Branch, Washington, DC 20226, telephone (202) 634-2381.

Dated: June 12, 1987.

Mitchell A. Levine,

Assistant Commissioner, Comptroller, Financial Management Service.

[FR Doc. 87-13856 Filed 6-17-87; 8:45 am]

BILLING CODE 4810-35-M

[Dept. Circ. 570, 1986 Rev., Supp. No. 20]

Surety Companies Acceptable on Federal Bonds, Termination of Authority, International Service Insurance Company

Notice is hereby given that the Certificate of Authority issued by the Treasury to International Service Insurance Company, under the United States Code, Title 31, sections 9304-

9308, to qualify as an acceptable surety on Federal bonds is terminated effective June 30, 1987.

The Company was last listed as an acceptable surety on Federal bonds at 51 FR 23941, July 31, 1986.

With respect to any bonds currently in force with International Service Insurance Company, bond-approving officers for the Government may let such bonds run to expiration and need not secure new bonds. However, no new bonds should be accepted from the Company. In addition bonds that are continuous in nature should not be renewed.

Questions concerning this notice may be directed to the Department of the Treasury, Financial Management Service, Finance Division, Surety Bond Branch, Washington, DC 20226, telephone (202) 634-2381.

Dated: June 12, 1987.

Mitchell A. Levine,

Assistant Commissioner, Comptroller, Financial Management Service.

[FR Doc. 87-13857 Filed 6-17-87; 8:45 am]

BILLING CODE 4810-35-M

VETERANS ADMINISTRATION

Veterans Administration Wage Committee; Meetings

The Veterans Administration, in accordance with Pub. L. 92-463, gives notice that meetings of the Veterans Administration Wage Committee will be held on:

Thursday, July 2, 1987, at 2:30 p.m.
Thursday, July 16, 1987, at 2:30 p.m.
Thursday, July 30, 1987, at 2:30 p.m.
Thursday, August 13, 1987, at 2:30 p.m.
Thursday, August 27, 1987, at 2:30 p.m.
Thursday, September 10, 1987, at 2:30 p.m.
Thursday, September 24, 1987, at 2:30 p.m.

The meetings will be held in Room 304, Veterans Administration Central Office 810 Vermont Avenue, NW., Washington, DC 20420

The Committee's purpose is to advise the Chief Medical Director on the development and authorization of wage schedules for Federal Wage System (blue-collar) employees.

At these meetings the Committee will consider wage survey specifications, wage survey data, local committee reports and recommendations, statistical analyses, and proposed wage schedules.

All portions of the meetings will be closed to the public because the matters considered are related solely to the internal personnel rules and practices of the Veterans Administration and because the wage survey data considered by the Committee have been obtained from officials of private business establishments with a guarantee that the data will be held in confidence. Closure of the meetings is in accordance with subsection 10(d) of Pub. L. 92-463, as amended by Pub. L. 94-409, and as cited in 5 U.S.C. 552(c) (2) and (4).

However, members of the public are invited to submit material in writing to the Chairman for the Committee's attention.

Additional information concerning these meetings may be obtained from the Chairman, Veterans Administration Wage Committee, Room 1175, 810 Vermont Avenue, NW., Washington DC 20420

Dated: June 10, 1987.

By direction of the Administrator.

Rosa Maria Fontanez,

Committee Management Officer.

[FR Doc. 87-13851 Filed 6-17-87; 8:45 am]

BILLING CODE 8320-01-M

Sunshine Act Meetings

Federal Register
Vol. 52, No. 117
Thursday, June 18, 1987

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

FEDERAL ELECTION COMMISSION

DATE AND TIME: Tuesday, June 23, 1987, 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC.

STATUS: This meeting will be closed to the public.

ITEMS TO BE DISCUSSED:

Compliance matters pursuant to 2 U.S.C. 437g.
Audits conducted pursuant to 2 U.S.C. 437g, 438(b), and Title 26, U.S.C.
Matters concerning participation in civil actions or proceedings or arbitration.
Internal personnel rules and procedures or matters affecting a particular employee.

* * * * *

DATE AND TIME: Thursday, June 25, 1987, 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC (Ninth Floor).

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED:

Setting of Dates for Future Meetings.
Correction and Approval of Minutes.
Eligibility Report for Candidates to Receive Presidential Primary Matching Funds.
Certification Report for Convention Financing.
Draft Advisory Opinion 1987-13: Richard Mayberry on behalf of Group Health Association of America, Inc.
Draft Advisory Opinion 1987-14: James S. Blewett on behalf of the First National Bank of Shreveport
Draft Advisory Opinion 1987-17: Warren E. Newberry on behalf of Texas Farm Bureau-Friends of Agriculture Fund (AGFUND), Inc.
Routine Administrative Matters

PERSON TO CONTACT FOR INFORMATION: Mr. Fred Eiland, Information Officer, Telephone: 202-376-3155.

Marjorie W. Emmons,
Secretary of the Commission.
[FR Doc. 87-13995 Filed 6-16-87; 2:34 pm]
BILLING CODE 6715-01-M

FEDERAL MARITIME COMMISSION

TIME AND DATE: 10:00 a.m., June 23, 1987.

PLACE: Hearing Room One, 1100 L Street, NW., Washington, DC 20573.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Policy Regarding Civil Penalty Compromise Procedures.
2. Matson Terminals/City of Los Angeles—Agreement Compliance and Tariff Practices.
3. Petition for Clarification and Other Relief (Matson Terminals/Port of Los Angeles).
4. Trans-Atlantic Trades Amnesty Program.

CONTACT PERSON FOR MORE INFORMATION: Joseph C. Polking, Secretary, (202) 523-5725.

Joseph C. Polking,
Secretary.
[FR Doc. 87-13996 Filed 6-16-87; 2:34 pm]
BILLING CODE 6730-01-M

LEGAL SERVICES CORPORATION

TIME AND DATE: The Board of Directors meeting will commence at 9:00 p.m., Thursday, June 25, 1987, and continue at 1:30 p.m. on Friday, June 26, 1987 until all official business is completed.

PLACE: Loews L'Enfant Plaza Hotel, La Salle Room (Executive Session), Monet II, Room, 480 L'Enfant Plaza, SW., Washington, DC 20024.

STATUS OF MEETING: Open [A portion of the meeting is to be closed to discuss personnel, personal, litigation, and investigatory matters under the Government in the Sunshine Act [5 U.S.C. 552b(c) (2), (6), (7), (9)(B), and (10)] and 45 CFR 1622.5 (a), (e), (f), (g), and (h)].

MATTERS TO BE CONSIDERED:

1. Personnel and Personal Matters (closed)
2. Litigation and Investigation Matters (closed)
3. Approval of Agenda
4. Approval of Minutes
   —March 21, 1987
5. Discussion and Action on the Recommendations of the Operations and Regulations Committee
   —Procedures for Disclosure of Information under the Freedom of Information Act—Part 1602
   —Eligibility—Part 1611
6. Discussion and Action on the Recommendations of the Audit and Appropriations Committee
   —Mid-Year Budget Review
7. Report from the Committee on the Provision of Legal Services
8. Comments on the CALR Report
9. Comments on the Migrant Study
10. Training Task Force Report
11. Report on Program Development Projects
12. Report on Pending Legislation
13. Public Comment

CONTACT PERSON FOR MORE INFORMATION: Timothy H. Baker, Executive Office, (202) 863-1839.

Date Issued: June 16, 1987.

Timothy H. Baker,
Secretary.
[FR Doc. 87-14012 Filed 6-16-87; 3:16 pm]
BILLING CODE 6820-35-M

LEGAL SERVICES CORPORATION

TIME AND DATE: The Operations and Regulations meeting will commence at 9:00 a.m., Friday, June 26, 1987, and continue until all official business is completed.

PLACE: Loew's L'Enfant Plaza Hotel, Monet II Room, 480 L'Enfant Plaza, SW., Washington, DC 20024.

STATUS OF MEETING: Open.

MATTERS TO BE CONSIDERED:

1. Approval of Agenda
2. Approval of Minutes
   —December 15, 1986
   —January 9, 1987
   —January 30, 1987
3. Procedures for Disclosure of Information Under the Freedom of Information Act—Part 1602
   —Report from the Office of the General Counsel
   —Public Comment
   —Recommendations to the Board
4. Eligibility—Part 1611
   —Report from the Office the General Counsel
   —Public Comment
   —Recommendations to the Board

CONTACT PERSON FOR MORE INFORMATION: Timothy H. Baker, Executive Office, (202) 863-1839

Date issued: June 16, 1987.

Timothy H. Baker,
Secretary.
[FR Doc. 87-14013 Filed 6-16-87; 3:16 pm]
BILLING CODE 6820-35-M

LEGAL SERVICES CORPORATION

TIME AND DATE: The Audit and Appropriations Committee meeting will commence at 11:00 a.m., Friday, June 26, 1987, and continue until all official business is completed.

PLACE: Loews L'Enfant Plaza Hotel, The Monet II Room, 480 L'Enfant Plaza, SW., Washington, DC 20024.

STATUS OF MEETING: Open.

MATTERS TO BE CONSIDERED:

1. Approval of Agenda
2. Approval of Minutes
   —January 29-30, 1987
3. Mid-Year Budget Review
4. Public Comment

CONTACT PERSON FOR MORE INFORMATION: Timothy H. Baker, Executive Office, (202) 863–1839.

Date issued: June 16, 1987.

Timothy H. Baker,

Secretary.

[FR Doc. 87–14014 Filed 6–16–87; 3:16 pm]

BILLING CODE 6820–35–M

SECURITIES AND EXCHANGE COMMISSION

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: [52 FR 22886 June 16, 1987].

STATUS: Open meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: Wednesday, June 10, 1987.

The following item will be considered at an open meeting scheduled for Thrusday, June 18, 1987, at 10:00 a.m.

Consideration of whether to issue a further release proposing amendments to its shareholder communications rules to exclude employee benefit plan partricipants, under circumstances, from the proxy processing and direct communication systems. For further information, please contact Sarah A. Miller or Barbara J. Green at (202) 272–2589.

Commissioner Fleischman, as duty officer, determined that Commission business required the above change.

At times changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: Andrew Feldman at (202) 272–2091.

Jonathan G. Katz,

Secretary.

[FR Doc. 87–13981 Filed 6–16–87; 12:28 pm]

BILLING CODE 8010–01–M

Corrections

Federal Register
Vol. 52, No. 117
Thursday, June 18, 1987

This section of the FEDERAL REGISTER contains editorial corrections of previously published Presidential, Rule, Proposed Rule, and Notice documents and volumes of the Code of Federal Regulations. These corrections are prepared by the Office of the Federal Register. Agency prepared corrections are issued as signed documents and appear in the appropriate document categories elsewhere in the issue.

ENVIRONMENTAL PROTECTION AGENCY

[OPP-30279; FRL 3196-4]

Certain Companies Applications To Register Pesticide Products; Rhom and Haas Co. et al.

Correction

In notice document 87-10362 appearing on page 18021 in the issue of Wednesday, May 13, 1987, make the following corrections:

In the second column, under *4. File Symbol: 1471-RLO.*, in the second line, "PB" should read "PO"; in the third line "Prolan" was misspelled; and in the fifth line "*N*[3-" should read "*N*-[3-".

BILLING CODE 1505-01-D

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 70, 72, 73, and 74

Changes to Safeguards Reporting Requirements

Correction

In rule document 87-13135 beginning on page 21651 in the issue of Tuesday, June 9, 1987, make the following corrections:

1. On page 21651, in the second column, in the **SUMMARY**, in the seventh line, "based" should read "base".

2. On page 21654, in the third column, in the second line of paragraph h., "meausre" should read "measure".

3. On page 21657, in the second column, in the authority citation, in the fifth from last line, "72.33(c)(3)" should read "72.33(b)(3)".

§ 73.71 [Corrected]

4. On page 21658, in the first column, in § 73.71, in the third line of paragraph (a)(1), insert "or" between "73.67(e)," and "73.67(g)" and in the second line of paragraph (a)(5) change "become" to "becomes".

§ 74.11 [Corrected]

5. On page 21659, in the first column, in § 74.11, in the first line of paragraph (b), insert "must be" between "notification" and "made".

BILLING CODE 1505-01-D

federal register

Thursday
June 18, 1987

Part II

Department of Education

34 CFR Part 692

State Student Incentive Grant Program; Notice of Proposed Rulemaking

DEPARTMENT OF EDUCATION

34 CFR Part 692

State Student Incentive Grant Program

AGENCY: Department of Education.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Secretary proposes to amend the regulations governing the State Student Incentive Grant (SSIG) Program. These amendments are needed to implement changes made by the Higher Education Amendments of 1986. The regulations would provide for an increase in the maximum SSIG award and clarify the new formula under which SSIG funds are allotted to the States.

DATES: Comments must be received on or before August 3, 1987.

ADDRESSES: All comments concerning these proposed regulations should be addressed to Neil C. Nelson, Chief, State Student Incentive Grant Program, Office of Student Financial Assistance, Office of Postsecondary Education, U.S. Department of Education (Room 4018, ROB–3), 400 Maryland Avenue, SW., Washington, DC 20202.

A copy of any comments that concern information collection requirements should also be sent to the Office of Management and Budget at the address listed in the Paperwork Reduction Act section of this preamble.

FOR FURTHER INFORMATION CONTACT: Neil C. Nelson, Telephone (202) 732–4507.

SUPPLEMENTARY INFORMATION: The Secretary is proposing changes to the regulations to reflect changes made to the statute authorizing the SSIG Program, Title IV–A–3 of the Higher Education Act of 1965 (HEA), as amended by the Higher Education Amendments of 1986, Pub. L. 99–498. One statutory change increased the maximum annual award that can be provided to a student from $2,000 to $2,500. Section 692.21 has been revised to reflect that change.

Under another statutory change, the State allotment formula is based on the number of students in a State who are "deemed eligible" to participate in the State's SSIG program. The Secretary has interpreted this provision to include those students who attend institutions in a State that are eligible to participate in the SSIG program of the State. Section 692.10 has been revised to reflect that change.

The most far-reaching change permits a State to use up to 20 percent of its allotment to carry out a program of campus-based community service-learning jobs. Students who are provided assistance under this program receive wages or salaries and not grants. Therefore, unlike a grant, assistance stops if the student quits his or her job. Under a State program, the institution may pay a student either an hourly wage, for actual time on the job, or a salary. The proposed provisions governing the program are described in § 692.30.

Executive Order 12291

These proposed regulations have been reviewed in accordance with Executive Order 12291. They are not classified as major because they do not meet the criteria for major regulations established in the order.

Regulatory Flexibility Act Certification

The Secretary certifies that these proposed regulations will not have a significant economic impact on a substantial number of small entities. State grant agencies administer the program. States and State agencies are not defined as "small entities" in the Regulatory Flexibility Act.

Paperwork Reduction Act of 1980

Sections 692.21(i) and 692.40(a)(6) contain information collection requirements. As required by section 3504(h) of the Paperwork Reduction Act of 1980, the Department of Education will submit a copy of these proposed regulations to the Office of Management and Budget (OMB) for its review. Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Information and Regulatory Affairs, OMB, Room 3002, New Executive Office Building, Washington, DC 20503; Attention: Joseph F. Lackey, Jr.

Invitation to Comment

Interested persons are invited to submit comments and recommendations regarding these proposed regulations.

All comments submitted in response to these proposed regulations will be available for public inspection, during and after the comment period, in Room 4018, GSA Regional Office Building #3, 7th and D Streets, SW., Washington, DC, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday of each week except Federal holidays.

To assist the Department in complying with the specific requirements of Executive Order 12291 and the Paperwork Reduction Act of 1980 and their overall requirement of reducing regulatory burden, the Secretary invites comments on whether there may be further opportunities to reduce any regulatory burdens found in these proposed regulations.

Assessment of Educational Impact

The Secretary particularly requests comments on whether the regulations in this document would require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

List of Subjects in 34 CFR Part 692

Education, grant program, Education, state-administered, Education, student aid.

(Catalog of Federal Domestic Assistance Number 84.069: State Student Incentive Grant Program)

Dated: May 12, 1987.

William J. Bennett,

Secretary of Education.

The Secretary proposes to revise Part 692 of Title 34 of the Code of Federal Regulations to read as follows:

PART 692—STATE STUDENT INCENTIVE GRANT PROGRAM

Subpart A—General

Sec.

Subpart B—What is the Amount of Assistance and How May it Be Used?

Subpart C—How Does a State Apply To Participate In This Program?

Subpart D—How Does a State Administer Its Community Service-Learning Job Program?

Subpart E—How Does a State Select Students Under This Program?

Authority: 20 U.S.C. 1070c–1070c–4, unless otherwise noted.

Subpart A—General

§ 692.1 What is the State Student Incentive Grant Program?

The State Student Incentive Grant Program assists States in providing grants and work-study assistance (through community service-learning job programs) to eligible students who attend institutions of higher education and have substantial financial need.

(Authority: 20 U.S.C. 1070c–1070c–4)

§ 692.2 Who is eligible to participate in the State Student Incentive Grant Program?

(a) *State participation.*

A State that meets the requirements in §§ 692.20 and 692.21 is eligible to receive payments under this program.

(b) *Student participation.*

A student must meet the requirements of § 692.40 to be eligible to receive assistance from a State under this program.

(Authority: 20 U.S.C. 1070c–1)

§ 692.3 What regulations apply to the State Student Incentive Grant Program?

The following regulations apply to the State Student Incentive Grant Program:

(a) The regulations in this Part 692.

(b) The Education Department General Administrative Regulations (EDGAR) in 34 CFR Part 74 (Administration of Grants) except for Subpart G, Part 76 (State-Administered Programs), Part 77 (Definitions That Apply to Department Regulations), and Part 78 (Education Appeal Board).

(c) The regulations in 34 CFR Part 604 that implement section 1203 of the Act (Federal-State Relationship Agreements).

(Authority: 20 U.S.C. 107(c)

§ 692.4 What definitions apply to the State Student Incentive Grant Program?

The following definitions apply to the regulations in this part:

(a) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR Part 77:

Nonprofit
Secretary
State

(b) *Definitions in 34 CFR Part 668.* The following terms used in this part are defined in 34 CFR Part 668:

Academic year (§ 668.2).
Campus-based programs (§ 668.2).
Enrolled (§ 668.2)
Guaranteed Student Loan Program (§ 668.2).
National Defense Student Loan Program (§ 668.2).
Pell Grant Program (§ 668.2).
PLUS Program (§ 668.2).
Public or private nonprofit institution of higher education (§ 668.3)
Postsecondary vocational institution (§ 668.5)
Supplemental Educational Opportunity Grant (SEOG) Program (§ 668.2).
U.S. citizen or national (§ 668.2).

(c) *Other definitions that apply to this part.* The following additional definitions apply to this part:

"Act" means the Higher Education Act of 1965, as amended.

"Consolidation Loan Program" means the student loan program authorized by section 428C of Title IV–B of the Act.

"Full-time student" means a student carrying a full-time academic workload—other than by correspondence—as measured by both of the following:

(1) Coursework or other required activities, as determined by the institution that the student attends or by the State.

(2) The tuition and fees normally charged for full-time study by that institution.

"Income Contingent Loan Program" means the student loan program authorized by Title IV–D of the Act.

"Perkins Loan Program" means the student loan program authorized by Title IV–E of the Act.

"SLS Program" means the Supplemental Loans for Students Program, authorized by section 428A of Title IV–B of the Act.

(Authority: 20 U.S.C. 1070c–1070c–4)

Subpart B—What Is the Amount of Assistance and How May It Be Used?

§ 692.10 How does the Secretary allot funds to the States?

(a)(1) The Secretary allots to each State participating in the SSIG program an amount which bears the same ratio to the Federal SSIG funds appropriated as the number of students in that State who are "deemed eligible" to participate in the State's SSIG program bears to the total number of students in all States who are "deemed eligible" to participate in the SSIG program, except that no State may receive less than it received in fiscal year 1979.

(2) If the Federal SSIG funds appropriated for a fiscal year are not sufficient to allot to each State the amount of Federal SSIG funds it received in fiscal year 1979, the Secretary allots to each State an amount which bears the same ratio to the amount of Federal SSIG funds appropriated as the amount of Federal SSIG funds that State received in fiscal year 1979 bears to the amount of Federal SSIG funds all States received in fiscal year 1979.

(b) For the purpose of paragraph (a)(1) of this section, a student is "deemed eligible" to participate in a State's SSIG program if the student is in attendance at an institution that is eligible to participate in the State's program.

(Authority: 20 U.S.C. 1070c)

§ 692.11 For what purposes may a State use its payments under the program?

A State may use the funds it receives under this part only to make grants to students and to pay wages or salaries to students in community service-learning jobs.

(Authority: 20 U.S.C. 1070c)

Subpart C—How Does a State Apply To Participate in This Program?

§ 692.20 What must a State do to receive an allotment under this program?

(a) To participate in the State Student Incentive Grant Program, a State shall enter into an agreement with the Secretary under section 1203 of the Act (Federal-State Relationship Agreement).

(b) For each fiscal year that it wishes to participate, a State shall submit an application that contains information that shows that its State Student Incentive Grant Program meets the requirements of § 692.21.

(c)(1) Except as provided in paragraph (c)(2) of this section, the State shall submit its application through the State agency designated in its Federal-State Relationship Agreement to administer its State Student Incentive Grant Program as of July 1, 1985.

(2) If the Governor of the State so designates, and notifies the Secretary through a modification to the State's Federal-State Relationship Agreement, the State may submit its application under paragraph (b) of this section through an agency that did not administer its State Student Incentive Grant Program as of July 1, 1985.

(Authority: 20 U.S.C. 1070c–2(a))
(Cross-reference: See 34 CFR Part 604, Federal-State Relationship Agreements)

§ 692.21 What requirements must be met by a State program?

To receive a payment under this program for any fiscal year, a State must have a program that—

(a) Is administered by a single State agency in accordance with the Federal-State Relationship Agreement under section 1203 of the Act;

(b) Provides assistance only to students who meet the eligibility requirements in § 602.40;

(c) Provides that assistance under this program to a full-time student will not be more than $2,500 for each academic year;

(d) Provides for the selection of students to receive assistance on the basis of substantial financial need determined annually by the State on the basis of standards that the State establishes and the Secretary approves.

(Cross-reference: See § 692.41.)

(e) Provides that all public or private nonprofit institutions of higher education and all postsecondary vocational institutions in the State are eligible to participate unless that participation is in violation of—

(1) The constitution of the State; or

(2) A State statute that was enacted before October 1, 1978;

(f) Provides that, if a State allocates funds to an institution under a formula which is based in part on the financial need of less-than-full-time students enrolled in the institution, a reasonable portion of the institution's allocation must be awarded to those students;

(g) Provides that—

(1) The State will pay an amount for grants and work-study jobs under this part for each fiscal year that is not less than the payment to the State under this part for that fiscal year; and

(2) The amount that the State expends during a fiscal year for grants and work-study jobs under this program represents an additional amount for grants and work-study jobs for students attending institutions of higher education over the amount expended by the State for those activities during the fiscal year two years prior to the fiscal year in which the State first received funds under this program;

(h) Provides for State expenditures under the State program of an amount that is not less than—

(1) The average annual aggregate expenditures for the preceding three fiscal years; or

(2) The average annual expenditure per full-time equivalent student for those years; and

(i) Provides for reports to the Secretary that are necessary to carry out the Secretary's functions under this part.

(Authority: 20 U.S.C. 1070c–2)

Subpart D—How Does a State Administer Its Community Service-Learning Job Program?

§ 692.30 How does a State administer its community service-learning job program?

(a)(1) Each year, a State may use up to 20 percent of its allotment for a community service-learning job program that satisfies the conditions set forth in paragraph (b) of this section.

(2) A student who receives assistance under this section must receive compensation for work and not a grant.

(b)(1) The community service-learning job program must be administered by institutions of higher education in the State.

(2) Each student employed under the program must be employed by an institution itself or by a Federal, State, or local public agency or a private nonprofit organization under an arrangement between the institution and the agency or organization.

(c) Each community service-learning job must—

(1) Provide community service as described in paragraph (d) of this section;

(2) Provide participating students community service-learning opportunities related to their educational or vocational programs or goals;

(3) Not result in the displacement of employed workers or impair existing contracts for services;

(4) Be governed by such conditions of employment that are considered appropriate and reasonable, based on such factors as type of work performed, geographical region, and proficiency of the employee;

(5) Not involve the construction, operation, or maintenance of any part of a facility used or to be used for religious worship or sectarian instruction; and

(6) Not pay any wage to a student that is less than the current Federal minimum wage as mandated by section 6(a) of the Fair Labor Standards Act of 1938.

(d) For the purpose of paragraph (c)(1) of this section, "community service" means direct service, planning, or applied research that is—

(1) Identified by an institution of higher education through consultation with local nonprofit, governmental, and community-based organizations; and

(2) Designed to improve the quality of life for residents of the community served, particularly low-income residents, in such fields as health care, child care, education, literacy training, welfare, social services, public safety, crime prevention and control, transportation, recreation, housing and neighborhood improvement, rural development, and community improvement.

(e) For the purpose of paragraph (d)(2) of this section, "low-income residents" means residents whose taxable family income, for the year before the year in which they are scheduled to receive assistance, did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the United States Census Bureau.

(Authority: 20 U.S.C. 1070c–2, 1070c–4)

Subpart E—How Does a State Select Students Under This Program?

§ 692.40 What are the requirements for student eligibility?

(a) To be eligible for assistance, a student must—

(1)(i) Be a U.S. citizen or national;

(ii) Provide evidence from the U.S. Immigration and Naturalization Service that he or she—

(A) Is a permanent resident of the United States; or

(B) Is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; or

(iii) Be a permanent resident of the Trust Territory of the Pacific Islands;

(2) Be enrolled or accepted for enrollment at an institution of higher education;

(3) Have substantial financial need as determined annually in accordance with the State's criteria approved by the Secretary;

(4) Maintain satisfactory progress in a course of study in accordance with the standards and practices of the institution at which he or she is enrolled;

(5)(i) Not owe a refund on a grant received for attendance at any institution under the Pell Grant, Supplemental Educational Opportunity Grant, or State Student Incentive Grant programs;

(ii) Not be in default on a loan made at any institution under the National Defense Student Loan, Perkins Loan, or Income Contingent Loan programs unless he or she has made arrangements, satisfactory to the institution, to repay the loan; and

(iii) Not be in default on a loan made under the Guaranteed Student Loan, Consolidation Loan, SLS, or PLUS programs to meet the cost of attending any institution unless the Secretary (for a federally insured loan) or a guarantee agency (for a loan guaranteed by a guarantee agency) determines that the student has made satisfactory arrangements to repay the loan; and

(6) File with the institution a statement (which need not be notarized but which must include the student's social security number or, if the student does not have a social security number, the student's student identification number) that the money attributable to the assistance will be used solely for expenses related to attendance or continued attendance at the institution.

(b) The Secretary does not consider a National Defense Student Loan, a Perkins loan, an Income Contingent Loan, or a Guaranteed Student Loan that is discharged in bankruptcy to be in default for purposes of this section.

(Authority: 20 U.S.C. 1070c–2, 1091)

§ 692.41 What standards may a State use to determine substantial financial need?

A State determines whether a student has substantial financial need on the basis of criteria it establishes that are approved by the Secretary. A State may define substantial financial need in terms of family income, expected family contribution, and relative need as measured by the difference between the student's cost of attendance and the resources available to meet that cost. To determine substantial need, the State may use—

(a) A system for determining a student's financial need under the Pell Grant, Guaranteed Student Loan, PLUS, or campus-based programs;

(b) The State's own needs analysis system if approved by the Secretary; or

(c) A combination of these systems, if approved by the Secretary.

(Authority: 20 U.S.C. 1070c–2,)

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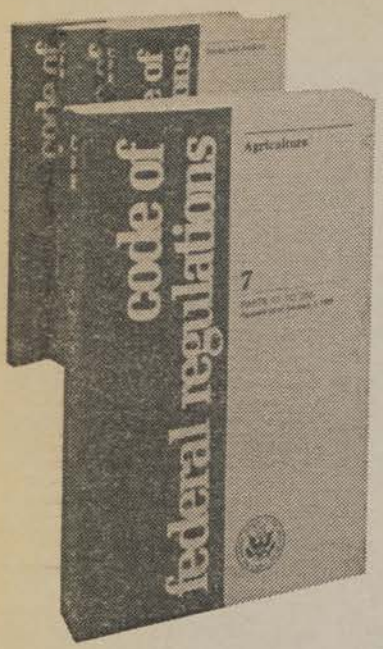

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